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CANADA.

BUDGET SPEECH

DELIVERED BY

HON. GEORGE E. FOSTER, D. C. L., M. P.,

MINISTER OF FINANCE,

IN THE

HOUSE OF COMMONS,

TUESDAY, 23RD JUNE,

1891.



OTTAWA:

PRINTED BY BROWN CHAMBERLIN, PRINTER TO THE QUEEN'S MOST EXCELLEN
MAJESTY.

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The EDITH *and* LORNE PIERCE
COLLECTION *of* CANADIANA



Queen's University at Kingston

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Mr. FOSTER. Mr. Speaker, in rising to move that the House go into Committee of Ways and Means to consider of the Supply to be granted to Her Majesty, I desire to ask the indulgence of the members present for a very short time while I make a very brief, I hope a plain and pertinent statement with respect to the finances of the country, the operations of the past and present years, so far as the present year has gone, and some estimates with respect to the succeeding year. It may be stated that in two particulars Canada has not in the past years we have under review been so fortunate as we could have desired her to have been. The harvest, which gave good promise in the opening of the last year, did not fulfil the prospects which were formed with respect to it, and was, therefore, not so abundant as could have been wished, and not so abundant as we have had in some former years. The lumber interest of the country finds itself handicapped to a certain extent in the British markets, chiefly by the overcrowding and overstocking of that market, and to a certain extent as well in the South American markets, owing to the general disturbances which have taken place in some of those countries which were large customers for certain classes of lumber, as a result of financial mismanagement and internal revolution and commotion. Outside of these two points in which we hoped that Canada would have had a more prosperous year than she has had, I think there is nothing to prevent us from congratulating ourselves in this House and in the country upon the general state and condition of our trade, our industries and our products. Our harvests, although, as I have said, not very abundant, were, taking the country all round, of a fair average, and the prices received for our agricultural products were probably a considerable amount higher than in the preceding

year, so that the total net results for the country at large was not so unfortunate as might have been thought at first. For the present year, although we cannot, of course, tell what may happen as the months develop, the prospects, especially in Manitoba and the North-West and in certain parts of the older Provinces, are fair; a largely increased area, especially in our western country, has been placed under crop, and at the present time the prospects there are of the brightest. With reference to the foreign trade for the year 1889-90, I may say that the aggregate trade was some \$14,000,000 in excess of its preceding year and marked one of the best years in the history of Confederation, being some \$65,000,000 in excess of the trade in 1878-79, the last year of the Administration which preceded the present Government. The exports for the past year under review were \$7,500,000 more than they were in the year 1888-89 and some \$25,000,000 in advance of the exports for the year 1878-79. There was a gratifying increase of the trade between Canada and Great Britain of \$7,000,000 over and above the year 1888-89, and our trade increased to a greater or lesser degree with France, Germany, Portugal, Italy, Holland, Belgium, China, Japan and Switzerland. There was a decrease of about \$1,000,000 in our trade with the United States of America, a slight decrease in our trade with Spain, and somewhat larger with Newfoundland and with South America and the West India Islands. The decrease in trade with some of these countries was because of reasons which I have previously stated, and I may say as well in this connection that, carrying out the promise of the preceding year, the current year which we have now completed will show a gratifying increase of exports over the very large increase of the previous year. Our home trade, taking

our country through, so far as it appears to one looking with a broad glance at it, is, on the whole, in sound condition. Some branches of our industries are flourishing, while others are not so fortunate in that respect. But taking it all in all, I think it is an opinion which will be borne out by financial men, that the trade condition of the country is a sound one if it is not a very flourishing one. Our inter-provincial trade, which year by year has been becoming more and more a factor and an incident of our development, has its steady increase, and although we have not at hand an unerring means of denoting by statistical records what the exact increase in volume of this trade is, yet from certain large indications that we get we are assured that it is a constantly increasing factor, and that it carries with it all that increased energy and life and prosperity which comes from such a field of activity. Aided by our railways; trunk lines which have been built and which are now in the best of running condition, and smaller and more circumscribed lines, but in their way not less important railways, which develop certain local centres and pour out upon the trunk lines their contributions to commerce, both of these conjoined are, year by year, under prudent and skilful management in the main, accessory to the development of the trade of the country in this respect. Last year has seen an increase, too, in the mining activity of Canada. The Government, by its regulations put in last year's tariff providing that mining machinery of a class and kind not made here should be admitted free of duty for three years, has aided in that activity. The iron bounty is having its results, and in some parts of our country there will be this year large accessions to the productive power of Canada in that respect by capital which is at present being invested in that industry. The visit of the British Association of Miners and Engineers, which was paid incidentally to this country in connection with their annual meeting, has been, I am assured, of great importance to the future development of our mineral wealth. The opinion of experts and the actual views in the country of men who were pre-eminently practical and scientific in this regard, is having its effect in making better known the large and important resources of the Dominion. I must not omit to mention the benefit arising from the labours of our own department, which is partially charged with that, nor ought I incidentally to omit referring to the good which has come from the Commission which was appointed by the Ontario Government, whose labours were very thorough and the information given by which was very complete and of great importance. The immigration of the past year, although it has not been so large in volume as some of the preceding years, has been of a class which is thoroughly satisfactory, I think, to this country. It comprises a class of men who have responsibilities, who have money, who have experience more or less in actual farming, and who come into this country prepared to make their home and stay here, and with a skill and knowledge which is necessary for the development of the properties into which they come. I am sure that the recent visit of the Farmers' Delegates, so thorough and general as it was, and which has been succeeded by one of the most practical and complete reports which I have ever had the pleasure of reading, will have the effect of awakening an increased interest in Great

Britain and other countries of Europe, and will be followed by its fruits of an increased immigration of the class of settlers which we particularly desire to have in this country. Our moneyed institutions have, on the whole, stood well the trying crisis of the past year. Whilst in the United States of America bank after bank has fallen, under the stress and stringency of the money market, whilst in Great Britain and in London, the centre of the world's money market, there has been great suspense and great trouble and great stringency; our banks in this country have pursued the even tenor of their way; a gratifying fact which is, I think, partly due to the good system of banking which we have in Canada, but which is, perhaps, chiefly due to the practical knowledge and prudent skill of the men who have our banking institutions in charge, and who take cognizance of the signs of the trade of the world as they appear from time to time and accommodate themselves in a skilful and prudent way to these necessities, and who also heed the warnings which are obtained in that way and so steer a prudent course. Our credit abroad stands as in preceding years; and although the financial troubles which have occurred over the civilized world, and which have been especially felt in the money markets of Europe, have had the effect of depreciating our securities, as the securities of all other countries and all other colonies have been for the time depreciated, and even the British consols themselves, yet our securities stand in comparison better than those of our sister colonies, and, taking all things into consideration, they hold their own in every respect. I think we can congratulate ourselves upon the buoyant nature of the revenue of the past financial year, a revenue the largest in the history of this country, a revenue which did not come from increased taxation as a result of changes and additions to the tariff, but which is an evidence of the power of the people to buy, and consequently marks to a certain extent their prosperity and the soundness of their financial condition. I think we may congratulate ourselves, too, upon the balance which has been kept between the revenues and expenditures of the country, as will be more apparent when I take up those matters in detail. Altogether, Mr. Speaker, to leave this branch, which may serve as an introduction to what is still more germane and pertinent to the question in hand, I think we may say that we have a happy, a united, a progressive, and a right-minded people, who are glad to live in this country and under Canadian institutions, who have a hopeful outlook with reference to the future, and who are full of progress and activity at present. Now, Mr. Speaker, if the House will allow me, I wish to deal for a moment with some more general trade interests. It is within the memory of the members of this House that some two or three years ago I had the pleasure of introducing resolutions which looked to the formation of lines of steamship communication towards the West Indies, towards Great Britain in the matter of a more rapid and better equipped Atlantic line, and towards Australia, China and Japan in respect to improved and regular steamship communications on the Pacific Ocean. I am very glad to say, with reference to these lines, that two of them have been established, and at the present time, I believe, have been well established. Different lines of steamers to the

West Indies were started in part as an experiment, and with a desire, if possible, to open up trade by couriers of a regular and more speedy kind, with the islands of the Carribbean Sea and some of the coasts of South America; and although difficulties have been met—very great difficulties, of which the House will know when we take up those particular subjects—I believe I may say to the House that these lines are now fairly well established, under conditions as good as we may hope to obtain at the present, and on a standing and a basis upon which they will be able to prove in the course of two or three years, I hope to the satisfaction of this House and the country, that there lie in those islands to the south of us possibilities of a large and remunerative commerce, as regards especially branches of trade which are complements of each other, and to which in neither country is there home competition, but only the competition from outside. With reference to the Pacific, I may state that the line of vessels which was subsidized by the British Government, and in part by the Canadian Government, has at length been established; and within the last two months the first of those well-built, finely-equipped and speedy vessels has been put upon the route, and passengers and mails have come from the far East across the Pacific Ocean, across our Canadian part of this continent and home to the old country in a space of time surprisingly short, which has elicited astonishment and comment of the most gratifying kind from the press and public men of Great Britain and the continent of Europe. We have, as a Government, put forth every possible energy to have the fast Atlantic line established as well. The House is cognizant of the history of that line up to the past year. During last year we entered into a provisional contract with a company which had very great financial strength, and of which Mr. Bryce Douglas was the agent on this side of the sea. Mr. Douglas visited this country and personally inspected the Canadian Pacific Railway and the ports upon the Pacific; and I may state that he was very enthusiastic both with reference to the prospects of this country and the prospects of a remunerative trade being built up across the country and across the Atlantic, sufficient to warrant the placing of vessels of the best style and equipment between our ports and the ports of Great Britain. A provisional contract was entered into, and, if it had not been for two reasons, one of which, and not the least important, was the disorganization which took place in the money markets at home, for reasons which are well known to hon. gentlemen on both sides of the House, but, more especially, the sudden and lamented death of Mr. Bryce Douglas himself, who was the soul and the inspiring genius of the company, I think we would have been able to inform this House that a hard and fast contract had been entered into for a line of steamships equal in style and equipment to the best that plies between the ports of New York and the ports of Great Britain and the continent; but the death of Mr. Douglas, especially, and the disorganized state of the money markets, has postponed this project, and the Government has again to try its hand, with the aid of the liberal donation which Parliament has placed at its disposal, with the view of bringing about what both sides of this House have declared by their votes and confidence they wish to see accom-

plished. Since last year the McKinley Bill, which was under discussion when this House was in session, and the main features of which were thoroughly settled before we separated, has gone into active operation. That Bill was looked upon with much apprehension and much hesitation by large interests in every part of this country. It threatened some of our trade interests; it certainly pointed to a displacement and a diversion of trade in several important particulars. Canada has had some months of experience of its operation; and, so far as I can see, upon a fair and just retrospect of the months that have passed, and the industries that have been affected, the industrial interests of Canada have stood the strain well, being far less harmed than was anticipated when that Bill was under discussion and when it was about to be passed by the Congress of the United States. The people of Canada, whilst, in some respects, they deplored some features of that Bill, knew that, so far as the Governments of Canada had been concerned, from 1867 up, no fault could be attached to them if there was not a better basis of trade relations between the United States and this country than actually existed. They knew that when, in 1866, the old reciprocity treaty was abrogated, that abrogation took place, not at the desire of Canada, but at the express instance of the United States, and they knew that, from that time up to the present, time and again, Canada has made advances, in a fair and honourable spirit, for the resumption of the old or the inauguration of new relations upon some fair and equitable basis. Looking back at the results which followed the abrogation of the old reciprocity treaty, the people of Canada, although they deplored some features of the McKinley Bill, did not think, viewing their past circumstances, present condition, and future prospects, that they had reason to become discouraged or be less hopeful than before. Looking back to 1866, and knowing that there was then found sufficient trade energy and skill and purpose in this country to convert what was then supposed to have been a great evil into what actually turned out to be a real good, inasmuch as it put Canadians upon their own mettle and energy and made them carve out for themselves fresh and remunerative channels of trade and commerce, they felt that, though they would fain have wished for better relations with the United States, they had ample resources, ample energy and a wide field about them; and setting to work, with that business energy and pluck which is characteristic of Canadians, they met the situation without grumbling or becoming despondent, and with a cheerful and hopeful facing of the future. Sir, that McKinley Bill had barely passed when, at the instance of a large interest in this country, I sent a skilful and practical man to Great Britain, who made a thorough investigation into one branch of trade which, it was supposed, would be seriously affected by the McKinley Bill, namely, the egg trade; and the investigations he made, and which have been since continued, by the High Commissioner, have resulted in a mass of information and a settled conviction, not only in this country but Great Britain as well, that for eggs and poultry there exists on that side a market of unlimited dimensions, in which home competition is at a minimum and the demand continually progressing, and in which, when we have studied and

thoroughly mastered, as can be easily done, its wants and idiosyncracies, we may find a continual and unlimited market for the articles we may choose to raise and export. Statistics show, beyond a doubt, that in the United States market, the demand for our surplus eggs was becoming every year smaller, because of the home competition and the increase of the home supply. Statistics show, on the other hand, that in Great Britain the demand is constantly outrunning the supply, and that there is no probable time in the future when it will not be measurably greater than it is at present. And what is true with reference to eggs is true, in part, with reference to poultry and live animals, and hay and other commodities. And I do not fear to assert and stake my reputation on the future turn of events, when I say it, that, just as that market which, for live stock, cheese and certain other commodities, was a few years ago very limited and has since expanded, until to-day it gives to our trade millions of dollars and the certainty of remunerative prices, so it will, in regard to these other articles, follow the same line and be productive of equal profit to this country. I am sure that no man in this House could wish for anything else, and all must wish for this result. And I see no reason, from past experience, after studying the conditions of the trade, to warrant me in making my statement less strong than I have made it. With reference to the West India trade, some attempt has been made in past years to foster the Canadian trade with these islands. Steamship companies were subsidized with that end in view, and last year, under the authority of Council, I had the pleasure of visiting those islands and of having conferences with their Governments, and merchants and people, in order to find out for myself something more intimately of the condition and the prospects of trade between our country and those islands. And what did I find there? I found, in the first place, the people of the British West India Islands most fairly disposed towards this country. They greeted with pleasure the interest which had been evinced by my visit to them. They had only the warmest feelings for their brethren further to the north and, without exception, expressed themselves as heartily in favour of all possible extension of trade between those islands and Canada. Just about that time, the McKinley Bill came into operation, with its diverse effects upon the people of the West India Islands, and this measure gave them much to think about before they could accept the proposition I was authorized to make, of a differential treatment of the products required by the one country from the other. Owing to the passage of the McKinley Bill, very grave thought and very serious consideration had to be given by them at that particular juncture before they could accept our terms or declare themselves in any way with reference to my proposition. Sir, the mistake Canada made was in not putting steamships upon that route 12 or 15 years ago. If we had done that, we would have opened the channels of trade between both countries previously to the opening of the steamship lines between the islands and the United States, and we would have had already a trade in large part established with all the advantages that come from it. But while we were lying idle, not doing our duty, steamship lines regular and frequent had been sent from the

ports of the United States, business channels had been opened, and business relations formed, and along these the lines of trade and interest ran until at present Canada has to introduce her wares in competition with an old and long-established business interest. But, Sir, I am convinced that, when careful thought has been given to this, and when the results of the McKinley tariff and the reciprocity clause in connection with it comes to be fully worked out, there is a great probability that the people of the West India Islands, who are so well disposed towards us and are so willing to trade with us in every possible way, will be willing, and not only willing but glad, to meet with us in order to arrange a mutually beneficial system of trade between their islands and this country. Sir, it may be—it ought not to be—but it may be a favourite pastime of some people to ridicule the idea of trade between Canada and the West India Islands. We ought not to do that. The West India Islands, inhabited, it is true, in large part by black people, have a large population which consumes very largely, and the aggregate trade of those islands to-day amounts to more than \$75,000,000, nearly one-half of which consists of the import of articles which are specialties of Canada, so far as their production is concerned. They consume those articles which are our natural products and the products of our industries which, when they are introduced into the West India Islands will, I am convinced, find a ready reception there. That this is the fact is proved by the result of the last year's work, and by the results which are just beginning to be apparent, of the exhibition which took place in Jamaica, where Canada made a most important and a most successful exhibit, where she disabused the minds of our island brethren of many prejudices and wrong conceptions which they had had in regard to us, where she displayed her wares and her goods to the best advantage, and where she proved to them that a mutually advantageous trade could take place, and laid the foundation for that trade in actual sales, in many orders, and in prospective trade, which those who had their exhibits there informed me speaks well for future commerce between that country and ours. Then, we have had, during the past year, an answer from the United States of America, different from any answer which has been received from 1866 up to the present time. The papers have been laid on the Table of the House, or at least a part of them. They will form a subject of discussion later on. Suffice it for me to say at the present moment that on an invitation given by Mr. Secretary Blaine—

Some hon. MEMBERS. Hear, hear.

Mr. FOSTER,—the delegates from Canada went to Washington for the purpose of having an informal conversation with Mr. Blaine, and talking over the possibilities of trade relations between their country and ours. They went there, and at the expressed desire of the United States, and, for their convenience and not for ours, the President of the United States asked us to postpone that informal conference which was appointed at that time, and to meet on his own invitation in a formal conference to be held in Washington in the month of October next. That is the state of things as it exists. In response to the offers which have often been made through the British Ministers and otherwise, that is the first time when the United

States Government have intimated that they are willing to sit down with us and canvass fairly and freely the basis of a trade arrangement. It is not my business at present, nor would it be prudent for me to lay down the lines or go into details as to what will be the policy of the Government, when this meeting takes place in October. But I may say, this, that the Government holds itself ready, as the Liberal-Conservative Governments have always done, to meet the United States on a fair and equitable basis and with the sincere and earnest desire to remove all differences that exist and to give the greatest freedom of trade compatible with the best interests of this country in its relations with the United States of America. Certainly no Government of a self-governing and self-respecting country should be asked to do more. Further than this, we can state that while we are willing to make all the concessions that on these lines can fairly be made, we are not willing to go so far as to injuriously shut ourselves out from the trade which we have with Great Britain and the other countries in the world, that we are not willing to forego, for a doubtful gain, the substantial advantages which we have enjoyed and expect to enjoy from our relations with the mother country, from which connection we have reaped so much in the past and from which we hope so much in the future. But, so far as is consistent with the best interests of this country and in the broadest commercial and national sense, having regard to our standing as a country forming a portion of the Empire, we are prepared to go as far as these considerations will allow us, and not one single step further. And the Government of the United States would not require more. The Government of no self-respecting country would ask for more, but would honour that country which would maintain the position of self-respect which we inevitably must take. I do not despair that, when our conference takes place in October, if disturbing conditions are not injected which might bring about a defeat, it may be found possible for relations to be formed which will place our intercourse with the United States on a more satisfactory footing than it is to-day. So much with regard to these general matters. Passing to another point, I wish to take up the change which has been made in regard to our Dominion Savings Banks. The members of the House who have followed the constitution of these banks, and the regulations under which they have been conducted, know that the rate of interest and the amount of the deposit have been frequently changed. On December 24th, 1877, the limit was placed at \$1,000. In 1880, the limit was \$3,000. In 1886, it was made \$1,000; and in 1887, the maximum was placed at \$1,000, with a further limit of \$300 a year as the maximum for a yearly deposit, and in 1889 the rate of interest was reduced to 3½ p.c. Previous to making that Order in Council and subsequent to it, the balance which had heretofore existed upon the side of deposits, came to be changed, and from August, 1889, up to the present time, each month, almost without exception, has seen a withdrawal from the savings banks of the country, larger than the deposits which were placed therein. This is not wholly due to the change in the rate of interest, inasmuch as the withdrawals commenced in excess of deposits some months before the lower rate of interest came into operation. However, it has gone on, and for

several causes which might be named, until we find that in the year 1889-90 there was a net reduction of nearly \$2,000,000. This reduction, however, does not show a loss in the gross deposits of the country, and consequently in the earnings of the country at large, but rather a transference. As proof of the statement I make, I have here a table prepared as follows:—

DEPOSITS IN BANKS ON 31ST MAY.

	1889.	1890.	1891.
	\$ cts.	\$ cts.	\$ cts.
In Post Office Savings Banks	22,132,854 19	21,357,554 67	21,130,429 26
In Dominion Savings Banks	19,214,227 95	18,498,290 34	17,114,889 84
In Chartered Banks payable on demand ...	55,165,595 67	51,440,101 67	56,522,473 82
In Chartered Banks payable after notice or on a fixed day.	68,795,851 55	74,629,147 67	84,679,400 27
City and District Savings Bank and La Caisse d'Economie.....	10,728,563 45	10,778,164 86	10,994,546 49
	<u>176,037,092 81</u>	<u>176,703,258 81</u>	<u>190,441,739 68</u>

From this it appears that the gross sum of the savings of the country and the deposits of the country in the different savings banks for 1889, amount to \$176,000,000; in 1890, to \$176,700,000; in 1891, to \$190,500,000, thus showing that the total savings and deposits of the people of the country in 1891 had increased about \$14,000,000; so that whatever withdrawal there was from the Government savings banks, is not at all to be taken as a sign of lessened earnings or of lessened savings of the country. Part of it has been due, since the Order in Council was passed, to the change which has taken place in the policy of the banks of the country, the Bank of Montreal, and by other banks, having introduced savings departments or branches, in which they take sums as low as one dollar, and have been paying interest at the rate of 4 per cent. upon them, and this accounts in part for the withdrawal, I am sure, of some of the savings from our banks. However, in order to meet the withdrawals from the savings banks, and which is, in some respects, a redemption of debt, and in order to meet the redemption of debt which fell due from time to time instead of going upon the market for loans, I have been, during the last year, obliged to have temporary loans negotiated by our agents with banks in London, in order to meet these withdrawals and these redemptions of debt. These loans are, as I have said, temporary; they run for twelve and six months, to expire on the first of July in the present year, when arrangements will be made and are now nearly completed, I believe, for their being carried on for six or twelve months longer. This is necessitated from the fact that the state of the London money market, and the state of securities upon that market, make it an imprudent thing for the Dominion of Canada, with a due regard to the high position that our credit has obtained, to go for any regular loans under present conditions.

Sir RICHARD CARTWRIGHT. The hon. gentleman might as well state the amount of the loan, and the rate of interest paid?

Mr. FOSTER. The amount of the loan is £400,000, on the 30th June, 1890; and £600,000 in December, 1890, one running for twelve and the other for six months, the rate of interest being, the first 4 per cent., and the second $4\frac{1}{2}$ per cent.

Sir RICHARD CARTWRIGHT. Is that all, or did you borrow any more?

Mr. FOSTER. That is all we have borrowed.

Sir RICHARD CARTWRIGHT. Do you propose to borrow more?

Mr. FOSTER. We may have to borrow a little more. It depends largely upon the withdrawals which we have to meet. Turning now to the year 1889-90, the results may be tabulated as follows:—

	Estimates.	Receipts.	Difference.
Customs.....	\$24,000,000	\$23,988,953	— \$ 31,046
Excise.....	7,000,000	7,618,118	+ 618,118
Miscellaneous	8,200,000	8,292,853	+ 92,853
Totals..	\$39,200,000	\$39,879,935	+ \$679,925

From this it is seen that while there was a slight falling off from my estimate in Customs, there was a large increase in both Excise and Miscellaneous, making the receipts in all nearly \$700,000 in excess of the estimated revenue. It is, however, only fair to say that the large increase in Excise was due to the fact that on the 1st July of the current year, the law respecting the keeping of spirit in tanks for ageing purposes, for two years, came into effect, and that a large withdrawal, contributing duties amounting to \$400,000 or \$500,000, was thereby thrown upon that year, instead of coming, as it otherwise would, into the current year. Compared with the revenue of 1888-89, there has been an increase of \$1,097,055, of which—

Customs gives an increase of.....	\$ 242,170	or 1·02 p.c.
Excise gives an increase of.....	731,379	" 10·62 "
Miscellaneous gives an increase of.....	123,506	" 1·51 "
Totals.....	\$1,097,055	" 2·90 "

The following is a list of articles from which we received increased Customs duties in the year under review. None of them are very large, the largest item being that of wines and spirits, which was partly in anticipation and to a certain extent the result of the higher duties which were placed on these last year.

Ale, beer and porter.....	\$ 7,424
Animals, living.....	15,178
Arrowroot, biscuit, &c.....	22,359
Grain of all kinds.....	71,093
Cement.....	26,804
Coal and coke.....	96,486
Copper, and manufactures of.....	7,997
Drugs, dyes, chemicals, and medicines..	25,955
Embroideries, N.E.S.....	4,639
Fish, and products of.....	4,212
Fruit and nuts (dried).....	12,776
Fruits, green.....	12,598
Gloves and mitts.....	112,975
Gold and silver, manufactures of.....	7,616
Gunpowder and other explosives.....	10,486
Gutta percha and India rubber, manufactures of.....	29,716

Lead, and manufactures of.....	\$ 16,565
Oils, coal and kerosene.....	23,486
Oils, all other.....	26,003
Paper, and manufactures of.....	23,843
Paints and colours.....	2,878
Provisions.....	36,807
Salt.....	7,149
Soap.....	19,836
Spirits and wines.....	179,410
Stone.....	17,019
Molasses.....	10,012
Sugar candy.....	8,787
Seeds and roots.....	15,713
Tea.....	5,030
Tobacco, and manufactures of.....	12,912
Vegetables.....	21,337
Watches.....	10,315
Wool, and manufactures of.....	193,661
All other.....	254,535

In the undermentioned articles there has been a decrease in the duties collected as compared with 1888-89 :

Flour and meal of all kinds.....	\$ 25,586
Brick and tiles.....	6,215
Carriages.....	29,384
Cottons, manufactures of.....	60,983
Fancy goods.....	9,967
Flax, hemp and jute, manufactures of..	17,888
Furs, and manufactures of.....	11,693
Glass, and manufactures of.....	15,520
Iron and steel.....	35,218
Leather, and manufactures of.....	93,700
Musical instruments.....	26,248
Silk, manufactures of.....	38,311
Sugar of all kinds.....	824,176

I may mention that the largest article in the items of decrease is that of sugar of all kinds, which show a decrease of \$824,176, showing that that year was not at all a normal year, the causes for which are variously explained. In Excise an increase has taken place in respect of every item upon which Excise duties are levied, as will be seen from the following table, in which it will be found that there was a large increase in Excise, explained, as I have stated; an increase not to a very large amount in malt, an increase in cigars, and a slight increase in tobaccos and snuffs. In Excise an increase has taken place in respect of every item upon which Excise duties are levied, as will be seen from the following:—

	1888-89.	1889-90.	Duty accrued,	Increase over,
	Gals.	Gals.	1889-90.	1888-89.
Spirits	2,972,931	3,574,799	\$4,617,643	\$746,910
	Lbs.	Lbs.		
Malt.	51,111,429	54,974,013	557,021	39,597
	No.	No.		
Cigars	92,579,570	98,802,951	593,710	40,008
	Lbs.	Lbs.		
Tobacco and Snuff.	9,749,143	9,802,951	1,850,621	12,027
Total.....			\$7,618,995	\$838,622

On the whole, it cannot be said this shows a very great increase in the consumption of these liquors the country through, inasmuch as if you take the explanation I made with respect to Excise and the

increase of population, the increase *per capita* shows no very great increase over the preceding years, and stands at the present time far less than it did on the average in 1867. This will appear from the following table :—

PER CAPITA CONSUMPTION OF LIQUORS AND TOBACCO.

	Spirits. Beer. Wine. Tobacco.			
	Gals.	Gals.	Gals.	Lbs.
Average since 1867.....	1'168	2'664	'142	2'117
do 1888-89.....	'776	3'263	'097	2'153
do 1889-90.....	'883	3'360	'104	2'143

The expenditure in 1889-90 I estimated at \$36,500,000, the actual expenditure was \$35,994,031; that is, the actual expenditure fell below the estimate \$505,969. On the other hand, the expenditure of that year fell below the expenditure of the previous year \$923,803. So that, with a saving in expenditure as regards the estimated amount, a saving in the total expenditure as compared with the preceding year and an excess of revenue over what was estimated, there is a gain which accounts for the large surplus over and above what I had anticipated. Increases took place as compared with the expenditures of the previous year, as follows :—

Sinking Fund.....	\$150,593
Civil Government.....	27,133
Legislation.....	231,017
Administration of Justice.....	23,978
Penitentiaries.....	30,403
Superannuations.....	22,831
Railways and Canals.....	25,529

And an increase of \$309,603 in the services chargeable to Collection of Revenue. But, on the other hand, there were marked decreases in the following :—

Interest on Public Debt.....	\$492,090
Charges of Management.....	15,940
Premium, Discount and Exchange.....	27,242
Immigration.....	92,408
Quarantine.....	17,307
Militia.....	36,538
North-West Mounted Police.....	76,608
Public Works.....	326,730
Mail Subsidies, &c.....	17,939
Ocean and River Service.....	154,052
Lighthouse and Coast Service.....	45,664
Marine Hospitals.....	10,603
Fisheries.....	26,702
Subsidies to Provinces.....	146,505
Miscellaneous.....	237,964

Taking, then, into consideration the fact that the revenue gave more than I anticipated, that the actual expenditure fell below the receipts, I am able to say to the House that on Consolidated Fund Account, after all the services for which appropriations have been made had been taken care of by the Government, there remains a surplus of \$3,885,893 over the ordinary receipts. That is not, however, to say that we have the sum of \$3,885,893 actually in pocket. There are capital expenditures as follows :—Railways and Canals, \$3,419,132; on Public Works, \$495,421; Dominion Lands, \$133,832; North-West rebellion claims, \$4,773, to which, if we add the railway subsidies, \$1,678,196, and the transfer of the Cobourg debentures, \$44,496, we have a total capital expenditure of \$5,776,301. So that, Mr. Speaker, the account as a whole of expenditure and income stands in this way: That we took care

of the ordinary expenses of the country out of the Consolidated Fund, that we laid up in the Sinking Fund against our debt and for the reduction of the debt, \$1,887,237, and had a surplus of \$3,885,893 which we placed over against capital expenditure, and came out at the end with an increase of debt of only \$3,170. It, therefore, appears that the statement I made in this House three years ago, and which met with severe ridicule from hon. gentlemen opposite, comes out very nearly verified. I stated that I thought by 1891 an equilibrium ought to be had between expenditure and income, taking in capital expenditure as well as expenditure on Consolidated Fund account, and this has taken place with the trifling exception of \$3,170, which is merely nominal. So that the net debt on 30th June, 1890, is \$237,533,211, or within a few dollars of the sum it was one year previous. Sir, it may not be amiss to lay before the House the course of the finances during the last three years. The expenditure on Consolidated Fund in 1887-88 was \$36,718,494; 1888-89, \$36,917,834; 1889-90, \$35,994,031. Therevenue was, 1887-88, \$35,908,463; 1888-89, \$38,732,870; 1889-90, \$39,879,925. The deficit in 1887-88 was \$810,031, in 1888-89 the surplus was \$1,865,035, in 1889-90 it was \$3,885,893. The capital expenditure has kept almost the same for three years, being nearly an average of \$5,500,000, the amounts being: 1887-88, \$5,464,502; 1888-89, \$5,267,035; 1889-90, \$5,731,354. The net debt had increased, in 1887-88, \$7,216,583; in 1888-89, \$2,998,983, and in 1889-90, \$3,170. The rate of interest on the gross debt was, in 1887-88, 3·45; in 1888-89, 3·52; in 1889-90, 3·37, the lowest rate it has reached, with the exception of one year, since Confederation. The net rate of interest on debt was, in 1887-88, 3·12; in 1888-89, 3·07; in 1889-90, 2·99, the lowest point it has reached since 1867. The average interest *per capita* on the net debt, which is the burden of the debt on the people as shown by the payment for interest, was, in 1887-88, 1·79; in 1888-89, 1·74; in 1889-90, 1·65, or only 6 cents more per head than it was in 1879, before the Canadian Pacific Railway was begun to be built or the vast expenditure on canals made. Coming now to the present year, which is pretty near completed, and about which, therefore, we have fairly certain data, I may state that the estimate for Customs made last year was \$23,500,000, for Excise \$7,000,000, and for Miscellaneous \$8,700,000, or a total of \$39,200,000. Up to 20th June, 1891, the receipts amounted to \$36,606,357, and if we receive the same revenue for the remaining ten days as we received last year, the total revenue will reach \$38,858,701. So there will be a decrease from my estimate of somewhere in the neighbourhood of \$800,000. The expenditure up to 20th June, 1891, was \$30,249,329, and if we take the expenditure of last year as a measure for the expenditure for the remaining period of this year, which was \$5,619,427, our total expenditure on that basis will be \$35,868,757. But between 20th June and 30th June of this year there are extraordinary expenses which were not met in the same period of time last year, the items for legislation, for the census, and one or two others. Therefore we must add \$345,000, which will make the expenditure in all probability about the region of \$36,000,000, so that the expenditure for 1890-91, deducted from the income of 1890-91, will give for this year a surplus of about

\$2,100,000, which is again on the right side of the account. The capital expenditure for 1890-91 has been kept far below that of the preceding year. For Public Works we estimate altogether, with what we know has been actually spent, \$500,000; Railways and Canals, \$2,300,000; Dominion Lands and Railway Subsidies, \$1,400,000, making a total capital expenditure in the neighbourhood of \$4,200,000. If we take the Sinking Fund, \$1,900,000, which again is laid up against our debt and is so much in reduction of debt, and the surplus of \$2,100,000, we will find that as between that and the capital expenditure we will come out within \$100,000 or \$150,000 of being equal, whereas last year we came out within \$3,071. This cannot be stated at present to a certainty, but it will not exceed the sum I have named. As regards 1891-92 I cannot make any well-defined estimate. There may be certain changes in the tariff, if the good will of this House carries out the intention of the Government which will affect to a certain extent any estimate which could be made; suffice it to say that the revenues for next year, upon what basis I can estimate for at the present time, will be in the neighbourhood of \$37,500,000.

Sir RICHARD CARTWRIGHT. Will you give the details?

Mr. FOSTER. The details I can scarcely give, but I think I will have a little more to say about that by-and-bye. So much, then, with reference to the condition of our finances. I now go to another and, may be, more interesting section of my subject. Last year the House will remember that we had a rather extended revision of the tariff. I am not one of those who believe that in a country like this, with a protective tariff which is based upon the condition of the industries which require protection, and the condition of industries in other countries and of the labour markets of other countries—I am not one of those who believe that there should be a cast-iron tariff for a stated period of years; conditions change, and with them, if we are reasonable and prudent, we must change the conditions of our fiscal policy. Neither am I, on the other hand, one of those who believe that it is best for the general interest of the country that too frequent tariff revisions should be made. This year I have had pressed upon me, not a very large number I must say, but still a considerable number

of changes in the tariff, some of which possess great merit, and if I were making a general revision of the tariff I should certainly recommend them for the consideration of the House; but taking into account the fact that last year we had a rather extended tariff revision, that this is a summer session and is going to be a short and a hot one, and that we have commercial negotiations on foot between ourselves and the United States, I put these three considerations together as a very good reason, which I think the House will approve of, for the decision that the Government has come to, to make no general revision of the tariff this year. There is, however, one article which appeals to every man's palate and to most men's pockets, and which has claimed the attention of the people of this country for the last few months more largely than perhaps any other; I refer to the article of sugar. Sugar has always been looked upon in Canada as a large producer of revenue, and it has always been made to pay its tribute into the public treasury. Sugar, in one respect, is one of the best articles possible for distributing the taxation, the rich and the poor use it largely in proportion to their means, it is diffused through every section of the country and is used by every class of the people, and there is possibly no article upon which a part of the revenues of the country can be more equitably placed. For fear that some may have, as some have intimated to me, the idea that the Liberal-Conservative Government is the only Government which has put taxation upon sugar and levied large duties from it; I had a table prepared of the course of the sugar duties of the Dominion of Canada, since 1868, and I find that commencing in 1868 with a tax of 1 cent a pound, and 25 per cent. upon all over No. 9 Dutch standard, we have gone on consecutively raising the impost in 1878, 1879 and 1882—I think that was the last revision of the sugar duties, if I mistake not. Therefore a large proportion of the revenue of the country in all these periods from 1868 up to the present time has been obtained from the article of sugar. The course of the sugar industry has been a remarkable one in this country; upon it two parties have had their policies clearly and sharply defined, and I have prepared the following table for insertion in the Official Debates of the House on this subject:

SUGAR ENTERED FOR HOME CONSUMPTION IN CANADA DURING YEARS NAMED.

Year ended June 30.	Quantity.	Value.	Duty Collected.	Rate of Duty.	Cost per lb. of Sugar.	Duty per lb. of Sugar.	Per cent. Raw Sugar.	Per cent. Refined.
	Lbs.	\$	\$	p. c.	Cents.	Cents.		
1878.....	109,469,915	6,186,226	2,595,074	41.95	5.65	2.37	6	94
1880.....	116,847,050	3,904,287	2,026,692	51.93	3.35	1.73	68	32
1881.....	136,406,513	5,110,993	2,459,142	48.00	3.74	1.80	78	22
1882.....	135,329,697	4,846,066	2,999,761	47.50	3.50	1.70	88	12
1883.....	152,729,569	5,091,530	2,467,730	48.00	3.33	1.61	94	6
1884.....	173,742,477	5,509,429	2,609,509	47.36	3.17	1.50	94	10
1885.....	200,011,541	5,100,478	2,544,920	50.00	2.55	1.27	95	5
1886.....	177,897,735	4,573,574	2,303,397	50.30	2.57	1.29	94	6
1887.....	200,466,072	4,862,042	3,167,528	65.20	2.42	1.58	93	7
1888.....	201,839,821	5,154,143	3,433,334	61.50	2.55	1.70	92	8
1889.....	223,841,171	5,837,895	3,675,724	62.96	2.60	1.64	95	5
1890.....	174,045,720	5,186,158	2,851,547	55.20	2.92	1.63	94	6

In 1878, under the regime and policy of hon. gentlemen opposite, this country imported and took for home consumption 109,000,000 pounds of sugar at a value of \$6,186,000 paid to the outside producer, with a duty of \$2,595,000, the rate of duty being 41 per cent. That sugar cost 5·65 cents per pound, the duty upon it was 2·37 cents per pound, and the extraordinary fact—not extraordinary, but remarkable fact which I wish noted is that of this sugar, only 6 per cent. was raw while 94 per cent. was refined, and had been refined by the labour and the capital and within the confines of other countries than our own. What I want to note in that is, the small consumption of sugar, the very large price paid to the outside world for it, the high cost per pound as payment to the outside world, the high duty per pound, and the almost total absence of the refining industry in this country. Well, Sir, in 1879, another policy was introduced; that was the policy of refining the sugar in our own country. That year had its results, and, in 1880, 118,800,000 pounds of sugar was taken for home consumption, costing \$4,000,000 instead of \$6,000,000, with a cost per pound of 3·35 cents instead of 5·65 cents, and a duty of 1·75 cents per pound instead of 2·37 cents, and with the other result, that the percentage of raw sugar imported rose from 6 to 68, and the percentage of refined sugar fell from 94 to 32. And so has gone on the history and progress of the sugar question until 1889, the last normal year, when, without disturbance of McKinley Bills, prospective or actual, the consumption of sugar in the Dominion of Canada reached the enormous amount of 223,841,171 pounds, more than twice the quantity consumed in 1878, the cost of that quantity being \$5,000,000 to us as regards the outside world, as against \$6,000,000 in 1878 for less than half the amount—2·60 cents per pound being the cost and 1·64 cents per pound the duty, whilst the amount of sugar brought in raw, and refined in this country, rose to 95 per cent., and the refined sugar brought into the country fell to 5 per cent. This table will be for the members on both sides of the House to see and to criticize. What I want to draw the attention of the House to is the fact of the decreased burdens represented in the reduced price we have paid for sugar to the outside world, in the cheaper sugar itself, in the lower duty per pound, in the increased consumption, due, in part, to greater cheapness, and to the growth of the industry of refining in our own country, amounting at the present time to 95 per cent. of all the sugar that we use in this country, and a further accompanying result, the enlarged trade with the native sugar-growing and producing countries. So that, whereas in 1878 our sugar was bought, refined, entirely from Great Britain and the United States, almost none coming from the countries of production, now it is mostly all from countries of production, and an increased trade takes place between ourselves and them as a consequence. Now, Sir, at this particular juncture of circumstances, it becomes necessary for the Government to look over the whole question and to consider its policy with reference to this question of sugar. The amount which was consumed in 1889, the last full year, was 223,841,171 pounds, from which a duty was collected of \$3,675,724. If the Government yield to the demand for free sugar, has to face the reduction of the duties in a normal

year of pretty near \$3,675,000, because the most of that is upon raw sugar, very little being refined sugar. Taking the last three normal years, we will say roughly that the amount of the duty which has accrued, has been \$3,500,000 per year, and it is a difficult question for a Government to face, considering, on the one hand, its desire to give cheap sugar to the masses of the people, and on the other, the imperative necessity for maintaining a fair balance between expenditure and revenue. But the Government has looked over this whole question, and on two conditions, it has come to the conclusion to sweep away, from the burden of the great mass of the people, with one stroke of the pen, \$3,500,000 of taxation; and I venture to say, Sir, that never in the history of Canada, either before Confederation or since Confederation, has any Government come down to the House with such a large reduction of taxes as is involved in this proposition.

Sir RICHARD CARTWRIGHT. Now let us hear your conditions.

Mr. FOSTER. The hon. gentleman asks for my conditions. I shall present them to the House in all kindness, and yet with all the emphasis possible. They are two—first, that we shall assent to a greater economy in public expenditures.

Some hon. MEMBERS. Good; hear, hear.

Mr. FOSTER. I am glad to know that I have the assent of hon. members opposite to that proposal, and I know, and knew previous to this, that I would have the assent of hon. gentlemen on this side of the House; and I promise them and the House that if this Government continues to supervise the expenditures—as we intend to do despite the different motions for adjournment which may, from time to time, be moved—we shall practise this economy in no niggardly spirit, but we will, while giving cheap and free sugar to the people, give them as much as the country ought reasonably to ask for the public works and services and improvements of the country. The other condition is that there shall be compensating duties to a certain extent

Some hon. MEMBERS. Oh, oh.

Mr. FOSTER. Hon. gentlemen must not say “oh” yet. You must not expect to have all the sugar without having something bitter to mix with it. The compensating duty will not be to the full amount of the burden of taxation of which the country will be relieved; for, while we propose to take off \$3,500,000, we propose to ask the House to allow us to put on \$1,500,000, and the question is, where can that be put? It has been urged that we should put a duty on tea and coffee, and if we followed the example of hon. gentlemen opposite, an example which in the main is bad, and which in this instance I do not propose to follow, we would clap a duty of 2 and 3 cents a pound on coffee, and 5 and 6 cents a pound upon tea, and thereby invade the poor man's breakfast-table afresh. Instead of doing that, we propose to make the breakfast-table a freedom in reality—to keep the coffee free, to keep the tea free, and to give the sugar free as well; and we look to a different source for raising the \$1,500,000, a source from which we think it can be raised most easily, with the least burden upon the great masses of the people, and we hope with the least dissatisfaction to the country at large. I propose to ask that the House consent to the im-

position of 1 cent per pound additional on malt. Malt has, up to the present, with few exceptions, borne a duty of 1 cent per pound, and this addition will add, according to my calculation, 3 cents in cost to every gallon of beer; and I ask the brewers, the maltsters, the wholesale sellers and retail sellers, and, if need be, the drinkers, to divide this 3 cents among them and make a cheerful and pleasant face over it. This, on the basis of last year's consumption of malt, will give a revenue in the neighbourhood of \$500,000. For fear there should be any jealousy in this matter, I propose to ask the distillers to consent to the imposition of a slight increase in the Excise duty upon distilled spirits, which will add but very little, 20 cents per gallon, to the cost of that article; and if it is necessary, I want to ask the distillers, and the wholesale sellers, and the retail traders, and the drinkers as well, to divide this equitably among them and make a pleasant face over the operation. That increase will give, upon the basis of last year's output, about \$600,000; and then, that we may all have our luxuries put on an even basis, I am going to ask the tobacco men to submit to 5 cents per pound upon tobacco as an Excise duty, and a similar amount upon the import, which will figure up to \$400,000. All these, added together, will give \$1,500,000; and with the imposition of \$1,500,000 taxes in these ways, which I think the great mass of the people will approve, when we take into account the large relief given to them, we propose to remit the sugar tax of \$3,500,000.

Sir RICHARD CARTWRIGHT. Are the sugar duties to be absolutely and totally abolished without reserve?

Mr. FOSTER. The hon. gentleman must understand me to mean, as I have no doubt he does, that when I have said that the duty upon raw sugars amounted to \$3,500,000 and that it is remitted, it is the duty of course upon raw sugar which is remitted.

Some hon. MEMBERS. Hear, hear.

Mr. FOSTER. Hon. gentlemen opposite would even violate the precious example of the United States, when all along they have been asking us to imitate their example and be guided by them in all our commercial policy.

Sir RICHARD CARTWRIGHT. The hon. gentleman's proposition, as I understand it, is to leave the duties on refined sugar as they are and free raw sugar.

Mr. FOSTER. The hon. gentleman must wait until I get through, when, I trust, all will be made plain. I hold in my hand a list of the resolutions which I propose to ask the House to go into committee upon after the hon. gentleman has replied, and I will briefly run over the recommendations which I propose to make to the committee. A change will be made in the molasses duty, which at present is $1\frac{1}{2}$ cents per gallon. The change that will be made is that all molasses between certain degrees, 40 and 56, which takes in all fairly good and extra molasses, shall pay the duty they now pay of $1\frac{1}{2}$ cents per gallon, but when they test over 56 degrees, they become in reality of the consistency and value of sugar, and come in free, as does all raw sugar. When they test less than 40 degrees, they approach

that perilously narrowed margin beyond which lies the mass of stuff which is sometimes imposed upon the people for molasses, but which is simply rubbish, with, coming down to certain degrees, scarcely a percentage of saccharine matter in it at all. I propose that the duty shall be $1\frac{1}{2}$ cents per gallon below 40 degrees, and one-quarter of 1 cent per degree additional as it grades below, in order to protect consumers from the stuff which is known as "black strap" or something worse, being mere washings, and doctored products, which no man ought to put in his mouth and think he is taking molasses. In addition to the foregoing rates, I propose to keep up what is in the present tariff, a specific duty in all cases of $2\frac{1}{2}$ cents per gallon, when not imported direct without transshipment. Upon all cane sugar and beet root sugar, and so on, not over No. 14 Dutch standard in colour,—that is, the raw sugar which comes in free—upon all that kind, when not imported direct without transshipment from the country of growth and production I propose to keep the same duty as at present—the same relative duty, I mean. There was charged on this before, $7\frac{1}{2}$ per cent. of the duty, and what I propose to put on now is 5 per cent. of the value, which is as near as can be equivalent to $7\frac{1}{2}$ per cent. of the duty. There is also a provision that in all the cases of cane sugar produced in the East Indies and exported therefrom *via* Hong Kong, such rate of 5 per cent. *ad valorem* shall not be exacted, if the sugar is transhipped at Hong Kong. A trade of large prospective growth is opening up between us and the East Indian sugar-producing countries by way of Hong Kong and the Canadian Pacific Railway Steamship Line and railway lines, and for the benefit of the western coast especially and Canada as a whole, I propose that sugar so imported shall not be subject to the duty of 5 per cent. Now, then, my hon. friend will get his answer. The duties now upon raw sugar, which the refiner has to pay in order to make his better grades of sugar, it being so much per pound and so much per degree over 70 degrees, amounts to about 2 cents per pound on granulated. The amount of protection that the refiner has at present on refined sugar amounts to about 3 cents, so that there is a difference in the neighbourhood of 1 cent between what he has to pay on his raw material required to make a pound of refined sugar and the pound of refined sugar that he competes with. All those sugars which come in under that head are to be not free, but to bear a duty of eight-tenths of 1 cent per pound. That is the duty upon refined sugars and upon all over No. 14 Dutch standard. Under the old tariff, glucose or grape sugar came under the general rate. As we have changed the tariff in regard to the rest, we have placed the duty on glucose or grape sugar at $1\frac{1}{2}$ cents per lb. Cut tobacco, which is now 40 cents and $12\frac{1}{2}$ per cent., is to be 45 cents and $12\frac{1}{2}$ per cent. Manufactured tobacco and snuff, which is now at 30 cents and $12\frac{1}{2}$ per cent., is to be 35 cents and $12\frac{1}{2}$ per cent. Ale, beer and porter, when imported in casks or otherwise than in bottles, which is now at 10 cents per gallon, becomes 13 cents per gallon; and ale, beer and porter, when imported in bottles, which is now 18 cents per gallon, becomes 21 cents per gallon. That is, that what is added to the cost of malt liquors by the addition of a cent a pound on malt, is added to the imported articles in order to make the equivalent.

Sir RICHARD CARTWRIGHT. You might state what the equivalent is?

Mr. FOSTER. 3 cents a gallon. The House will recollect that I have asked that 20 cents be added to the Excise duty. Last year I raised the duty on imported spirits and wines, while I made no change in the Excise duty, and it was argued by some hon. gentlemen that I had disturbed the proper proportion which should exist and that some addition should be made to the Excise duty as well. After looking over the whole question, I have come to the conclusion to restore pretty nearly the former equilibrium by adding 20 cents on Excise, while making a smaller increase on the imported article, so that the relative position of the two is brought back to nearly the position they previously occupied.

Sir RICHARD CARTWRIGHT. Did you take account of that in estimating for the million and a half?

Mr. FOSTER. Yes. In regard to the import duties, I do not look for much increase. The increased duty is small and it may have the effect of reducing the importation, and I have made no estimate for any particular increase in that branch. There is another article in which we have decided to make a change, and that is the article of salt, which is now at 10 cents and 15 cents per 100 lbs., and which we propose to reduce one-half, making it 5 cents and 7½ cents. This we have been impelled to do because we considered that, owing to the protection which was given and certain combinations which have been entered into, a monopoly has been created, and it is a wise and prudent thing for us to meet that state of things by reducing the duty one-half. It will also be observed that it is provided that these resolutions shall take effect on and after the 24th June, 1891:

"Provided, however, that nothing herein shall be construed as excepting any sugars now held to be in bond for refining purposes in any bonded premises connected with or occupied in whole or in part by any sugar refinery, which may be found on examination of the stock in such premises to have been removed therefrom, from payment of the duty properly payable thereon under item No. 419 in schedule A to the Act, chap. 33, Revised Statutes, which shall continue in force as regards such sugars, until proper entry thereof and payment of duty thereon has been made."

Mr. PATERSON (Brant). Does that cover sugar in bond in merchants' bonded warehouses?

Mr. FOSTER. It covers all the sugar put in bond by the refiners, no matter where they may be.

Mr. BOWELL. It covers everything in bond.

Mr. PATERSON (Brant). The wholesale men have lately been allowed to hold sugar in bond.

Mr. BOWELL. Yes, it covers that.

Mr. FOSTER. There is another matter to which I will refer. Certain members of the House have been aware that during the last ten or fifteen years a great change has taken place in the world in reference to the production of sugar. Whereas, a few years ago, a very small proportion of the world's consumption of sugar was other than cane sugar, within the last ten years, in European countries especially, a great change has taken place. The cultivation of the beet has been encouraged, and beet root sugar has been manufactured under Gov-

ernment bounties; and this has been so successful under that system that at the present time a little more than 65 per cent. of the world's consumption of sugar is made from the beet. For the last twelve or thirteen years we in Canada have had more or less spasmodic or continued attempts to introduce the culture of the beet in order to make sugar therefrom. The attempts have been to a large extent experimental, and I do not think, from what information I have so far, that the results can be said to have been successful. However, I am not here to-day to argue that question *pro* or *con*. I have my own opinion in reference to it. I am not here to say that I believe that, by the introduction of the bounty system in Canada, it will be possible for us, under fair conditions and without undue impositions on the people, to make the cultivation of beet in this country successful, with our climate, our soil, our prices of labour and all the attendant circumstances, but I am not unmindful of the fact that in the Province of Quebec there are one or two beet root sugar factories whose promoters have gone in good faith into the enterprise of the manufacture of beet root sugar. They have their machinery there, they have made their investments, they have sowed their beets, and they are now, through the farmers, raising the crop for this year, and to take off all the protection they had when they commenced the season's operations would appear to be a hardship, and I think will so strike hon. members of this House. So that I have this to recommend, that for one year, this season only, whatever beet root sugar is made wholly from the beet in the Dominion of Canada, shall be paid, out of the finances of the country, a bounty equal to the protection which it would have enjoyed if the tariff had remained for the year as it was when the farmers planted their beets and went into that industry. When I make this statement I also wish it to be accompanied by the emphatic statement, that this proposition does not commit me or the Government to the principle of bounty with reference to the culture of beet root sugar in this country; we do not propose to commit ourselves to that principle, and the legislation we ask for now is for this season only, and solely upon the grounds which I have mentioned to the House, and which I believe will approve themselves to the fair sense of the House.

Mr. PATERSON (Brant). Does the hon. gentleman know the amount of bounty per pound?

Mr. FOSTER. I will read the resolution:

Resolved, That it is expedient to provide that, under such regulations and restrictions as may be by the Minister of Customs deemed necessary, there may be paid to the producers of any raw beet root sugar produced in Canada wholly from beets grown therein between the first day of July, one thousand eight hundred and ninety-one, and the first day of July, one thousand eight hundred and ninety-two, a bounty equal to one dollar per one hundred pounds, and in addition thereto, three and one-third cents per one hundred pounds for each degree or fraction of a degree of test by polariscope over seventy degrees.

This will apply to the present season only, when the farmers have distributed their seed and are looking forward to the season's operations, and it secures to them the amount of protection which they would have had under the tariff as it was at the time when they sowed their seed.

Mr. SCRIVER. What about maple sugar?

Mr. FOSTER. Maple sugar remains just as sweet and just as good as it was, without any

bounty. I have another resolution which I will read on behalf of the Minister of Customs:

Resolved, That it is expedient to amend the Act, Chapter 32, Revised Statutes, intituled "An Act respecting the Customs," by repealing section 94 thereof—respecting the refining in bond of sugar, molasses or other material from which refined sugar can be produced.

Now, of course, that the Government has taken the duty off from raw sugar, there needs to be no regulation, or no law upon which regulations can be based, for the refining of sugar in bond. Mr. Speaker, I thank you, and I thank the House, for their kindly indulgence in the remarks I have made, and their kindly reception of the conclusions which the Government, through me, have been able to announce. I beg leave now to move that the House resolve itself into Committee of Ways and Means on the following resolutions:—

1. *Resolved*, That it is expedient to amend the Act, chapter 33, Revised Statutes, intituled: "An Act respecting the Duties of Customs," by repealing the items numbered 9, 10, 400, 419, 420, 421, 422, 423 and 431, in schedule "A" to the said Act; and to amend the Act 50-51 Victoria, chapter 39, intituled: "An Act to amend the Act respecting the Duties of Customs," by repealing the items numbered 126, 127 and 128, under section 1 of the said Act; and to amend the Act 53 Victoria, chapter 20, intituled: "An Act to amend the Acts respecting the Duties of Customs," by repealing the items numbered 148, 156, 157, 158, 159, 165 and 166, under section 10 of the said Act,—and to provide otherwise by enacting that the following rates of duty be substituted in lieu thereof:—

1. All molasses and (or syrup N.O.P., including all tank bottoms and) or tank washings, all cane juice and (or concentrated cane juice, and all beet-root juice and) or concentrated beet-root juice, when imported direct, without transhipment, from the country of growth and production.
 - (a) Testing by polariscope, forty degrees or over and not over fifty-six degrees, a specific duty of one and one-half cents per gallon.
 - (b) When testing less than forty degrees, a specific duty of one and one-half cents per gallon and in addition thereto, one-fourth of one cent per gallon for each degree or fraction of a degree less than forty degrees.
 - (c) And in addition to the foregoing rates, a further specific duty in all cases of two and one-half cents per gallon when not so imported direct without transhipment.
2. All cane sugar and or beet-root sugar not above number fourteen Dutch Standard in colour, all sugar sweepings, all sugar drainings or pumpings drained in transit, all melado and or concentrated melado, all molasses and or concentrated molasses N.E.S., all cane juice and or concentrated cane juice N.E.S., all beet-root juice and or concentrated beet-root juice N.E.S., all tank bottoms, N.E.S., and concrete, when not imported direct without transhipment from the country of growth and production, five per cent. *ad valorem*; provided, however, that in the case of cane sugar produced in the East Indies and imported therefrom *via* Hong Kong, such rate of five per cent. *ad valorem* shall not be exacted if transhipped at Hong Kong.
3. All sugars above number fourteen Dutch Standard in colour, and refined sugar of all kinds, grades or standards, and all sugar syrups derived from refined sugars, a specific duty of eight-tenths of a cent per pound.
4. Glucose or grape sugar, glucose syrup and, or corn syrup, a specific duty on one and one-half cents per pound.
5. Cut tobacco, forty-five cents per pound and twelve and one-half per cent. *ad valorem*.
6. Manufactured tobacco, N.E.S., and snuff, thirty-five cents per pound and twelve and one-half per cent. *ad valorem*.

Alc. beer and porter, when imported in casks or otherwise than in bottles, thirteen cents per gallon.

Alc. beer and porter, when imported in bottles (six quart or twelve pint bottles to be held to contain one gallon) twenty-one cents per gallon.
9. Spirituous or alcoholic liquors, distilled from any material, or containing or compounded from or with distilled spirits of any kind, and any mixture thereof with water, for every gallon thereof of the strength of proof, and when of a greater strength than

that of proof, at the same rate on the increased quantity that there would be if the liquors were reduced to the strength of proof. When the liquors are of a less strength than that of proof, the duty shall be at the rate herein provided, but computed on a reduced quantity of the liquors in proportion to the lesser degree of strength; provided, however, that no reduction in quantity shall be computed or made on any liquors below the strength of fifteen per cent. under proof, but all such liquors shall be computed as of the strength of fifteen per cent. under proof, as follows:—

- (a) Ethyl alcohol, or the substance commonly known as alcohol, hydrated oxide of ethyl or spirits of wine; gin of all kinds, N.E.S.; rum, whiskey, and all spirituous or alcoholic liquors, N.O.P., two dollars and twelve and one-half cents per gallon.
 - (b) Amyl alcohol or fusil oil, or any substance known as potato spirits or potato oil, two dollars and twelve and one-half cents per gallon.
 - (c) Methyl alcohol, wood alcohol, wood naphtha, pyroxylic spirit, or any substance known as wood spirit or methylated spirit: absinthe, arrack or palm spirit, brandy, including artificial brandy and imitations of brandy; cordials and liquors of all kinds, N.E.S., mescal, pulque, rum shrub, schiedam and other schnapps; tafia, angostura and similar alcoholic bitters or beverages, two dollars and twelve and one-half cents per gallon.
 - (d) Spirits and strong waters of any kind, mixed with any ingredient or ingredients, and being known or designated as anodynes, elixirs, essences, extracts, lotions, tinctures or medicines, N.E.S., two dollars and twelve and one-half cents per gallon, and thirty per cent. *ad valorem*.
 - (e) Alcoholic perfumes and perfumed spirits, bay rum, cologne and lavender waters, hair, tooth and skin washes, and other toilet preparations containing spirits of any kind, when in bottles or flasks weighing not more than four ounces each, fifty per cent. *ad valorem*; when in bottles, flasks, or other packages weighing more than four ounces each, two dollars and twelve and one-half cents per gallon, and forty per cent. *ad valorem*.
 - (f) Nitrous ether, sweet spirits of nitre and aromatic spirits of ammonia, two dollars and twelve and one-half cents per gallon, and thirty per cent. *ad valorem*.
 - (g) Vermouth and ginger wine, containing not more than forty per cent. of proof spirits, seventy-five cents; if containing more than forty per cent. of proof spirits, two dollars and twelve and one-half cents per gallon.
 - (h) In all cases where the strength of any of the foregoing articles cannot be correctly ascertained by the direct application of the hydrometer, it shall be ascertained by the distillation of a sample, or in such other manner as the Minister of Customs directs.
 10. Champagne and all other sparkling wines, in bottles containing each not more than a quart and more than one pint, three dollars and thirty cents per dozen bottles; containing not more than a pint each and more than one-half pint, one dollar and sixty-five cents per dozen bottles; containing one-half pint each or less, eighty-two cents per dozen bottles; bottles containing more than one quart each shall pay, in addition to three dollars and thirty cents per dozen bottles, at the rate of one dollar and sixty-five cents per gallon on the quantity in excess of one quart per bottle, the quarts and pints in each case being old wine measure; in addition to the above specific duty, there shall be an *ad valorem* duty of thirty per cent.
 11. Salt, coarse, five cents per one hundred pounds (not to include salt imported from the United Kingdom or any British possession, or salt imported for the use of the sea or gulf fisheries, which shall be free of duty).
 12. Salt, fine, in bulk, five cents per one hundred pounds.
 13. Salt in bags, barrels or other packages, seven and one-half cents per one hundred pounds, the bags, barrels or other packages to bear the same duty as if imported empty.
2. *Resolved*, That it is expedient to provide that there be added to the schedule "C," to the Act, Chapter 33, Revised Statutes, as being exempt from Customs duties, the following, viz:—

All cane sugar and, or beet root sugar not above number fourteen, Dutch Standard, in colour, all sugar sweepings, all sugar drainings or pumpings drained in transit, all melado and, or concentrated melado

do, all molasses and, or concentrated molasses, N.O.P., all cane juice and, or concentrated cane juice, N.O.P., all beet root juice, and, (or concentrated beet root juice, N.O.P., all tank bottoms, N.O.P., and concrete, when imported direct without transshipment from the country of growth and production, Free.

3. *Resolved*, That it is expedient to amend the Act, Chapter 32, Revised Statutes, intituled: "An Act respecting the Customs," by repealing section 94 thereof, respecting the refining in bond of sugar, molasses or other material from which refined sugar can be produced.

4. *Resolved*, That it is expedient to provide, that under such regulations and restrictions as may be by the Minister of Customs deemed necessary, there may be paid to the producers of any raw beet root sugar produced in Canada wholly from beets grown therein, between the first day of July, one thousand eight hundred and ninety-one, and the first day of July, one thousand eight hundred and ninety-two, a bounty equal to one dollar per one hundred pounds; and, in addition thereto, three and one-third cents per one hundred pounds for each degree or fraction of a degree of test by polariscope over seventy degrees.

5. *Resolved*. That it is expedient to repeal so much of sections 130, 192, 177 and 253 of the Act 49 Victoria, chapter 34, and of any Acts amending the same, so far as the said sections or amendments thereto determine the Excise duties to be levied upon the respective articles hereinafter mentioned; and to provide that the Excise duties thereon shall hereafter be as follows:—

1. Upon spirits, as described in sub-section (a) of the above first cited section, one dollar and fifty cents.
2. Upon spirits, as described in sub-section (b) of the said section, one dollar and fifty-two cents.
3. Upon spirits, as described in sub-section (c) of the said section, one dollar and fifty-three cents.

4. Upon malt, as described in sub-sections (a and b) of section one hundred and ninety-two, for every pound, two cents.

5. Upon fermented beverages, made in imitation of malt liquor, as described in section one hundred and seventy-seven, on every gallon, eight cents.

6. Upon tobacco, as described in the first five paragraphs of section two hundred and fifty-eight—for every pound, twenty-five cents.

Except that cut tobacco when put up in packages of one-twentieth of a pound or less, shall, on every pound, pay forty cents.

7. Upon cigarettes, as described in the sixth paragraph of the said section—two dollars per thousand.

8. Upon snuff, as described in paragraph nine of the said section—on every pound, eighteen cents.

9. Upon snuff, as described in paragraphs ten and eleven of said section—on every pound, twenty-five cents.

6. *Resolved*, That it is expedient to provide that the foregoing Resolutions and the alterations thereby made in the duties of Customs and Excise on the articles therein mentioned, shall take effect on and after twenty-fourth day of June, one thousand eight hundred and ninety-one.

Provided, however, that nothing herein shall be construed as exempting any sugars now held to be in bond for refining purposes, in any bonded premises connected with, or occupied in whole or in part, by any sugar refinery, which may be found on examination of the stock in such premises to have been removed therefrom, from payment of the duty properly payable thereon, under item number 419, in Schedule "A" to the Act, Chapter 33, Revised Statutes, which shall continue in force as regards such sugars, until proper entry thereof and payment of duty thereon, has been made.

ADDENDUM.

AUGUST 4TH, 1891.

Mr. FOSTER. My only apology in asking the House for a few moments of patient hearing at this late stage of the debate, is that I have not, up to this period, taken any part in what may be called exclusively the trade debate which has been going on for the last ten or twelve days. During that time I have been in my seat, I think, as patient and constant a listener to the speeches made upon both sides of the House, as any other member in it ; so that while I promise the House not to trespass too long upon their attention, I do not think I am presuming too much when I ask them to listen to me while I make a few remarks in criticism of some things which has been said to-night. I wish, first, very briefly to say something with regard to the remarkable speech of my hon. friend who has just sat down, a speech which I do not notice because of its worth, or because of its argumentative force, or because of its courtesy in regard to myself, but because it is a specimen of the arguments which are used too frequently by hon. gentlemen upon the opposite side of politics in rebuttal of the policy of the Government. I wish merely to point out the unfair method and argument, if we may call it such, which has been adopted by the hon. gentleman who has just taken his seat. The hon. member for L'Islet asks this House to endorse the policy of the Government for several reasons. He asks first, that the House express its approval of the fiscal policy of the Conservative Government for two reasons, namely, for permitting the free importation of raw materials, and secondly, for the judicious protection of our natural and manufactured products, both of which, the resolution asserts, have resulted in the marked development of Canadian industries. The hon. gentleman who has just taken his seat dismissed this proposition with a single reference to its first, and with a total disregard of its second basis ; and he said we were called upon by the young and verdant member for L'Islet to vote confidence in the policy of the Government, because, forsooth, that policy had encouraged the importation of raw material. And his conclusion was that it had not encouraged such importation. Why ? Because the important article of iron, which he called a raw material, paid a duty when it came into this country, and because iron paid a duty he took no note of other raw materials which to the value of \$35,000,000 came last year free into this country. He took no note of the second part of the argument on which the proposition was based, and committed himself to the palpable absurdity, which even he I think might have seen, of making the assertion before this House and the country that iron was a raw material. If the hon. gentleman were asked to make a bar of pig iron and bring it to the manufacturer who proposed to make

it up into something else, I think he would then revise his opinion of that as raw material. If he must first dig it as ore out of the mountain he smelted it, if he put it into the condition of pig iron to be used for manufactures in other and more advanced stages, I should like to know if he could call that raw material such as we generally speak of raw material in this country. And, Sir, the patent fact remained untouched by him that in last year's importations, although \$77,000,000 worth paid duty to this country, \$35,000,000 of goods were brought in without paying any duty whatever. So the position of the hon. member for L'Islet is perfectly justified in asking approval of the policy of the Government on one count, namely, that it does encourage the introduction of raw materials free for use in manufacturing in this country. The hon. gentleman took up the second point on which my hon. friend challenges the approval of the House for the policy of the present Government on account of its liberal aid to important public works, railways, canals and steamship lines, and he, as the hon. leader of the Opposition did, dismissed that argument, dismissed that proposition with the remark that they thought little should be said with respect to public works in this House at the time when great scandals are being ferreted out, as is alleged, and when investigations involving the good name of hon. members sitting in this House are being carried on by a committee of this House. I want to ask whether or not it is a fair argument, allowing for the sake of argument that certain moneys have been ill-expended on certain public works, that because there has been that ill-expenditure of money, therefore the Government policy carried on from 1878 to the present time, of granting liberal aid in railway building, in canal building, in subventions to steamboat lines and to other public undertakings which have made this country a great country, which it never could have been had there not been these liberal appropriations for public works, should be condemned. It is not a substantial, or satisfactory, or fair argument to dismiss the proposition in that way. Then the hon. gentleman states that my hon. friend for L'Islet has made another mistake, being a young member and not so old and wise as the hon. member for Queen's, in fact that he had made a deliberate misstatement. What does the hon. member for L'Islet say ? He approves in his motion "of the wise and prudent management of the finances which while adequately providing for the public service." Has it not adequately provided for the public service ? "Has maintained and advanced the credit of the country." Has that not been done ? "And while producing substantial surpluses for capital expenditure." Has not that been done ? "Has made no appreciable

addition to the public debt during the last two years." My hon. friend, if such I may term him, left out the word "appreciably" which the hon. member for L'Islet used when he stated that there had been no appreciable addition to the debt during the last two years, and the hon. gentleman then went on to make the assertion that there was \$3,000,000 of increased debt during the last two years. In both of these statements the hon. gentleman's methods are unfair and characteristically unfair. Not only is it true that there has been no appreciable addition to the public debt in the last two years, but the proposition is also true, as to the adequate provision for the public service, as to the credit of the country and the large surpluses. He attacked none of them, but he said that the hon. member for L'Islet was guilty of a falsehood, of making a false statement in declaring there had been no increase in the public debt. The hon. gentleman knew just as well as the youngest and most verdant member in this House knows, and no one knows it better than himself, and he would consider it an insult to his intelligence if one were to point it out to him, that when we are speaking of the debt of this country, its increase or decrease, we are speaking of the net debt which is the true measure of the debt; and I challenge the hon. gentleman to state that it is not literally true as embodied in this proposition of the hon. member for L'Islet, that in the last two years there has been no appreciable increase in the public debt. Sir, my hon. friend again says that this Government and the hon. member for L'Islet in proposing this policy should have been the last to have said anything about the removal of the duties on tea, coffee and particularly on sugar. Well, if the hon. member for L'Islet should be the last one to say anything about sugar, that criticism might apply to a great many other members and particularly to hon. gentlemen opposite, for, if there is one thing that has struck down deep into their marrow bones and rankles there to-night, it is the fact that this Government, which they have berated so much, whose policy they have so much derided, whose extravagance they have so much talked about and whose impending ruin they have declared to be certain, has been able after twelve years of exceptionally successful government in this country to take off \$3,500,000 from the burdens of the people and to impose no appreciable taxation in compensation for it. But the hon. gentleman said we should talk little about sugar because, forsooth, we have taken the duty off and so destroyed our prospects of a West India trade. I simply note this by naming it; it does not require an argument for men of intelligence and those who are acquainted with the circumstances of the case to know that the statement is not a correct one. He says we talk as if discrimination was a new thing, and declared that the tariff of 1854 discriminated against Great Britain, when everyone who has read history knows that, as regards the articles admitted from the United States into Canada by that treaty, similar articles if they came from England were admitted on exactly the same terms; no discrimination was intended, no discrimination was allowed, and no discrimination was actually practised or carried out. My hon. friend says that the treaty negotiators of 1869, actually in their drafts of the negotiations, had provided for discrimination against the goods

of Great Britain, and yet, Sir, we have against the unsupported testimony of Mr. Huntington, which has been read here and which has been met time and again in this House, the statement of Sir Francis Hincks, and the statement of Sir John A. Macdonald, that although they were not allowed to bring down these papers—because secret and confidential papers could not be brought down—they challenged the accuracy of Mr. Huntington's statements, and that denial stands good to-day against the statement which has been read here from Mr. Huntington, and it is assured in the light of history that from the year 1854 to the present time, Great Britain has never had to contemplate discrimination in reference to reciprocity treaties which have been negotiated, or which have been actually made, between the United States and this country. The hon. gentleman refers to the treaty of George Brown in 1875—the draft treaty—which he says by the way we came pretty nearly getting. Yes, we did; we were ready for it, and willing for it, and the other side of the line would have nothing to do with it. That is just how near we came to getting it. He says that draft discriminated and provided for discrimination against Great Britain, and yet he knows that the Hon. George Brown himself, in his place in Parliament, and the Hon. Mr. Mackenzie as well, repudiated any idea of discrimination, and declared that not only did it not exist, but that every article from Great Britain of like kind should come into this country upon the same conditions and on perfect equality, with those that came from the United States. I wish to notice just for a moment the climax of the argument of the hon. member for Queen's (Mr. Davies). I want it to be listened to in this House; but I hope it will never get as far as Washington; I hope it will never even reach Bar Harbour, for if the quick ears of Mr. Blaine ever catch it, the hon. gentleman and his cohorts may come on this side of the House, and remain here for a legion of years, but they will have to turn their whole policy inside out, and repudiate the hon. member for Queen's (Mr. Davies) before they get any treaty from the United States. Why is that? My hon. friend knows, for he has stated it, and so has the leader of the Opposition, and so have all gentlemen on that side, and it is open to reason that the United States will conclude no treaty with this country out of sheer kindness and good-will for us. They will not conclude a treaty with this country unless they hope to get some advantage out of it. Hon. gentlemen opposite tell us that the only advantage that the United States can get under reciprocal trade is to be found in the fact that they will obtain a market here for their manufactured goods. That is it. They dare not take any other position in their love for the poor farmers, as they call them, and they do not take any other position. Now listen to my hon. friend from Queen's (Mr. Davies). He commences with a fairly mild statement, and he ends with a strong and extreme one. That is the way of the hon. gentleman. His first statement was this: We will import much the same goods from Great Britain as now, if we get unrestricted reciprocity. Then he put his foot upon the chair and he recalled the conversation that he had with a prominent importer in the Maritime Provinces, who actually told him: Yes, Mr. Davies, you get unrestricted reciprocity, and carry it into effect, and

I will import, with the exception of a few cotton prints, much the same goods from Great Britain that I do now. And then he amplified that, and he ended with the strong statement: "Practically, we will import the very same goods from Great Britain as we do now." Then, if we shall do so, I ask hon. gentlemen opposite what *quid pro quo* they expect the United States will get by unrestricted reciprocity, if they carry it out? If the hon. gentleman has as much influence as he has assumption, he has effectually damned unrestricted reciprocity from this hour henceforth and forever. But, fortunately, the hon. gentlemen is only a feather in the tail of the kite, he is only a small portion of the party, and it may be that in the hum and hurry of the discussion his small voice will lack power to reach so far as Washington, and possibly even so far as Bar Harbour.

The hon. gentleman has no faith in humanity; especially humanity on this side of the House, and he never rises but he begins by a profession of faith; his creed is that there is no honesty of purpose on the Conservative side of the House.

Mr. DAVIES (P.E.I.) I did not state anything of the kind.

Mr. FOSTER. His profession of faith is that there is no good motive, and there is no honest principle on this side of the House.

Mr. DAVIES (P.E.I.) I rise to a point of order. The hon. gentleman is doing now as he persists in doing whenever he replies to me; he is deliberately misrepresenting my statement. I never made such a statement. On the contrary I have always recognized that there are a very large majority of gentlemen on the other side of the House with whom I have the kindest social relations, and I know that they have just as much honesty of purpose as I have and as my hon. friends have.

Mr. FOSTER. The hon. gentleman has now stated his point of order, and I will leave it even to the very young man from L'Islet (Mr. Desjardins) to pass his opinion on that point of order from so old and wise and long standing a member of this House.

Some hon. MEMBERS. Take it back.

Mr. FOSTER. I will state what I stated before, that I never remember the hon. gentleman rising and making a speech in this House, without his attributing a lack of honesty of motive and principle to this side of the House. He did it to-night; he knows he did it, and he knows he always does it. He knows that when he puts the bridle on his steed and places his foot in the stirrups, he no longer has control of the steed; and if there is any question of public policy of any kind that is proposed and carried out from this side of the House, the hon. gentleman thinks that the best way to meet it is by impeaching the honesty and good motives of its supporters and, so he denies that we have any desire for reciprocity on this side of the House. He says that our statement to the contrary is a sham and delusion, and he goes upon that assumption here as in the country. Now, if my hon. friend will take a little advice from one whom he esteems so highly, he possibly will allow me to say to him that he will get along better in this House, better in the world, and at greater peace with his own conscience, what there is of it, if he will just go upon the assumption that there is some honesty, some good motive, and some good principle in other breasts than his own.

Mr. MILLS (Bothwell). What is the Government plan for reciprocity?

Mr. FOSTER. I really cannot attend to the hon. member for Queen's (Mr. Davies) and answer the philosophizing musings of the hon. member from Bothwell (Mr. Mills) all at once. One at a time.

Mr. MILLS (Bothwell). What is the Government plan?

Mr. FOSTER. I will tell you the Government plan before I get through. The hon. member for Queen's (Mr. Davis), before reading an extract from a speech which I made in this House last year, commenced by stating that I had practically declared that there was no longer any hope of reciprocity being obtained from the United States of America. He went on to read the extract, and the extract simply bore out, what? It bore out this: That I said I saw no particular trend towards reciprocity in my reading of the sentiment of the United States; that from 1866 up to the present time we had been counselled to watch and wait; to go upon the assumption of waiting and watching to see whether or not the United States would not meet us with a reciprocity treaty; and I said that I thought the time had come, and fully come, when we should leave that position, and with the greatest courtesy and good-will possible to the United States, we should do our own fiscal legislating, in our own interest as we saw it from the standpoint of Canadians. That is all I said. That is exactly what I stated, and I think I am perfectly consistent in that respect. Since that time, Sir, a change has taken place, and on the invitation of the United States Government itself we are to send delegates on the 12th day of October to Washington to confer with Mr. Blaine and the President of the United States, and see whether or not we can have framed or formed a reciprocity treaty on the basis which we have set forth in our Order in Council, and which is as plain as it can be made. Now, Sir, having stated this much with reference to the hon. gentleman I leave him. I must, in the next place, say one word with reference to my hon. friend the leader of the Opposition. His speech was rich and in some respects rare—in its phrasing, in its fine dialectic points, if I may call them so, and in its glittering generalities; but when the hon. gentleman came down to the hard work of practical detail, I do not think I am going too far in saying that, in my opinion, his speech was not so strong as we might expect it to be, from the leader of the Opposition, and for the time being the exponent of the financial and trade policy of that side of the House. He declared that the Government were strong in assertion. He may apply some of that to his own side. I leave it to the judgment of this House, and to the judgment of the country who are looking to the sayings and doings of this House, if they put the speeches which hon. gentlemen have made on the trade question on this side of the House along with the speeches which have been made on the same question on the other side of the House, whether they will pick out more bare and unfounded assertions from those made on this side than from those made on the other side. It is not for me to judge of that; it will be for this House and the country.

The hon. gentleman has said that we went to the country with falsehood and deceit on our lips. That is a strong statement; but did the hon. gentleman back it up? He backed it up by no proof which would be satisfactory to this House or the

country. What was the statement with which we went to the country? It was embodied in the Order in Council, it was stated by Sir John Thompson and myself at our first campaign meeting in the city of Toronto, it was stated in the public papers and at other public gatherings, and the gist of it was this, that since 1866 negotiations had been carried on for reciprocity treaties between this country and the United States, but that from that time up to a few weeks ago there had been no showing by the people of the United States of one single favourable opening for the negotiation of such a treaty; but that within the last few weeks, in negotiations which were being carried on with the Island of Newfoundland, in which Canadian interests were very nearly affected, it had come about that Canada had made a protest against certain legislation, and that in the course of these negotiations a door had been opened by the Secretary of State for the United States himself, and an invitation had been given to Canada to send commissioners to Washington for an informal talk and conference with reference to a reciprocity treaty. That in sum and substance is what was stated; that in sum and substance is true; and I am not responsible, and the Government is not responsible, for amplifications of that statement which may be made. But that is the essential truth, and that truth is borne out by the papers which have been brought down to this House. After all, what does it matter whether the negotiation commenced in one way or in another? The whole point is that up to that time there was no door opened by the United States, that at that time the Secretary of State himself invited conference, that since that time the Secretary of State and the President officially have issued a formal invitation, and that on the 12th of October we are to send to Washington a delegation to negotiate, if possible, a treaty of reciprocity upon lines which may seem fair and just—on the basis laid down by the Order in Council which I have quoted here to-night. That is the simple question, and all other is quibbling. But if you wish to go back to that, I say that the bald statement made by the Government is true in every particular, and is carried out by the papers which have been brought down to this House. My hon. friend said that there was an old physician, living long, long ago, I suppose, who for every disease had but one remedy. I think he said that was bleeding; it matters not. That remedy he would call a panacea; and we know that what cures every disease that humanity is heir to is known by that name. Well, Sir, there is a doctor of that class abroad in this country to-day; he is a professor of unrestricted reciprocity. He sits not very far from me in this House, and about opposite to me. He has declared that the farmer is in a terribly doleful state to-day; that nothing will save him but unrestricted reciprocity. Mortgages are cropping up every year; nothing will rid us of them but unrestricted reciprocity. Taxation is heavy and high; the only hope is unrestricted reciprocity. This country is going to the dogs as fast as it can, and is now almost tumbling over the brink of ruin; save it by unrestricted reciprocity. That is what my hon. friend must have had in his mind, which called up the remembrance of the old physician of long ago who had but the one remedy, of bleeding for all diseases. But now, is it not dole-

ful to be told, after all these professors of unrestricted reciprocity have passed through the country exciting the popular sentiment against bloated monopolists, barbarous protection, relics of the middle ages, and worse, declaring that the body politic is diseased all through, and that the only help which can be given is unrestricted reciprocity—is it not sad and doleful to be told now that we must take this remedy in homoeopathic doses, one little pill after another, and spread over a long series of year. Why, long before the medicine has had time to take effect the patient may die. We are told now that only one bar at a time of this Chinese wall that separates us from liberty and life must be taken down, and meanwhile what will become of the hungry and thirsty waiting ones? How absurd, after the preachings and predictions of the last ten years, to tell the mass of the people—even the majority by their own count, who are looking to them as the only saviours of this country, who are to snatch them from this policy of monopoly and ruin, that after all the treatment can only be applied in homoeopathic form, and in very small doses at that. My hon. friend lapsed into scripture, and he made a quotation as to Paul at Ephesus preaching against the idolators and stirring up a certain political leader by the name of Demetrius, who was afraid that all the gain he got from making idols and such things would be taken away. My hon. friend went a little too far. Instead of crossing the sea to Ephesus, he should have stopped at Athens and listened to Paul preaching to the people of that great city; and finding that he could do nothing with them, because they had a temple upon which was an inscription, "to the unknown god." As was the case with Paul with the Athenians, so we here can do very little with hon. gentlemen opposite. They have that temple dedicated to the unknown god, and for the last ten years they have been trying amongst them to conjure up a name for that god so that they can place it in their temple under its proper designation.

Then my hon. friend talked for a long while about the power of consumption in this country not being equal to its power of production, and he thought that was a great evil and source of weakness. I hope that the power of consumption in this country will never become equal to its power of production. I certainly hope it will never exceed the power of production, because if it should, how would we live? I suppose it is the chronic condition of all great powers and progressive states that their powers of production exceed their powers of consumption. Now, the hon. gentleman says, as Canada has reached this stage—has it not always reached this stage—when its powers of consumption are no longer equal to its powers of production, a great want is felt, which the Opposition have discovered and that is outside markets to take away our surplus production. And then the hon. gentleman proceeds to treat the working of our policy. We have built up mills under it, and then following the mills came over-production, and then came the combines; and now there is but one way out of the difficulty. We must get rid of that lack of balance between production and consumption, and the hon. gentleman proposes that we shall do so by unrestricted reciprocity, by opening wide the doors between ourselves and the United States, because—whisper it softly—the United States are

a country where such a fatal calamity as that of over-production is unknown, where the powers of production do not exceed the powers of consumption, and if once we got there, we would become rich beyond all expectation. My hon. friend talks about woollen mills and cotton mills curtailing their production in this country. But has he never read the New England papers? Does he not know that there has not been a year in the last ten or twelve years, in which there have not been periodical stoppages of the spindles and the mills in the New England States, in order to bring over-production somewhere near to the consumption of the people.

Mr. MILLS (Bothwell). Hear, hear.

Mr. FOSTER. Yes, we will be wonderfully benefited. This country which has suffered under the dire calamity of finding its production exceed its consumption, will be wonderfully helped by going in with the United States where the powers of consumption are so great compared with their powers of production, that they are sending hundreds of millions of their surplus products, which they cannot use themselves, to the rest of the world, and products of the very same kind as those of which we have an over-production now. But I want to come down now, if I possibly can, to the very marrow and bone of the policy and procedure of hon. gentlemen opposite. They have two methods of procedure in order to get at the end they have in view. The first is to raise the cry of "wolf, wolf" in this country in order to frighten the people. They try to do that more than in any other way by attacking the National Policy, and once they raise this cry of fear and scare in the country they proceed to dangle before the people that homeopathic panacea, I am sorry to say, of unrestricted reciprocity as the only thing that can bring salvation to the woeful state of affairs which exists in their own imagination, but of which the people as a rule are blissfully ignorant. They attack the National Policy not knowing the strength and fibre of that which they attack. They imagine the National Policy affects merely a set of refiners, of woollen and cotton mill owners, and that when they attack the National Policy, this is the only class they have to deal with in this country. Sir, the National Policy in this country, is not restricted to any class. It has a triple cord of strength in it. The National Policy in this country, began to dawn when we got hold of the broad prairie lands of the North-West. It grew still fuller when we linked British Columbia and that great North-West country to the heart of Canada, with an iron band. It developed itself still more in 1878, when home markets and home production were helped by the introduction of a reasonable and judicious system of protection; and it saw its rounded fulfilment when the Canadian Pacific Railway was completed, and when our steam communications were provided, and our canal system perfected for internal communication. That is the triple strength of this National Policy. It is to be found in the development of the national resources of this country; it is to be found in the multiplication of means of transport for interprovincial trade, and in the creation of home industries and home production; and it is to be found in the extension of the traffic resulting from the production we have fostered at home by our National Policy, and which

overflows and seeks a market in outside countries. That is the National Policy. If you would find its monument in this country, you have simply to look to its results in the particular lines I have spoken of. Look to the Province of British Columbia, and you will find a country growing into new life, with its vast mineral wealth, its grazing lands and fisheries and its growing trade east and west. Look to the North-West which lay there a few years ago in its virgin uselessness, but which to-day, if crop reports speak truly, will send out to the hungry mouths of Europe 20,000,000 or 25,000,000 bushels of wheat and grain, a fact which would have been to-day impossible, if it had not been for the National Policy of the Liberal-Conservative party. You have to look for its results in our canal and railway system, with the vast interprovincial trade which flows and interflows from one part of this country to the other. Make a calculation, if you like. What advantage would a few millions of foreign trade amount to alongside of this immense interprovincial and local trade? How many families are there in the country? A million. How much do they consume per year? Would it be too much to say that each family and its belongings consume \$500 worth per year. That will amount to the immense consumption of \$500,000,000, and that is home consumption; and for all that there is coming and going along these great lines of communication of ours this ceaseless intercourse from section to section, this supply calling for demand and demand calling for supply. You have to look for it, Sir, in the multiplied and varied industries of the older provinces of Canada, where busy labour finds its daily wage, and the hum of wheel and spindle and anvil accompanies the transformation of our natural resources into the rich necessities of our daily life, and the steady accumulations of national wealth. That, Sir, is the National Policy and that is what hon. gentlemen fight against, what they beat against in vain, and what will find its constant defenders in the intelligent electors of this country. Now, let us see what this boasted panacea is; let us come down, if we can, to a close examination of unrestricted reciprocity, and I ask my hon. friends opposite in all candour and earnestness to correct me when I give a wrong definition of what unrestricted reciprocity is. I have sat for fifteen days listening more or less to this debate. I have honestly tried to get at and to frame upon this paper a fair definition of unrestricted reciprocity as it is stated by hon. gentlemen opposite. I may not have been successful, but I will essay to define what I understand to be unrestricted reciprocity, and I will take it as a favour on the part of hon. gentlemen opposite to correct me if I am wrong in my definition. Reference has been made to the change in dress. We may have asked before what unrestricted reciprocity was, and we may have considered that it was a more or less unreasonable proposition; but hon. gentlemen opposite, in the amendment which they proposed as the antidote to our policy, have made it infinitely more absurd and inconsistent than it was before. We find that they have added a rider to it. Why did they add that rider to it? There may have been two reasons. There may have been some restive members of the herd, and this rider may have been added in order to prevent their jumping the enclosure; or they may have thought that, in the bye-elections, it would be convenient to

have something put forward by them in Parliament which might mean anything or nothing as they chose to interpret it to the electorate. What is this rider? It proposes to abolish or to reduce the duties on all the necessities of life which enter into the consumption of four great classes in Canada. Through all the utterances of the hon. gentlemen opposite, there has been a reprobation, keen and constant, of any duty on the necessities of life. Every breath which has come from the opposite side has been laden with denunciations of that class of duty, and if the hon. gentlemen had carried the resolution for which they have voted what would it have meant? Nothing less than a total abolition of the duties on the necessities of life which are used by these four classes of the people. To that policy hon. gentlemen are pledged, and that they can easily carry out if they get into power. They pledge themselves to unrestricted reciprocity. They do not know whether they can carry that out or not. That depends on the will of another country. But this depends simply upon themselves. If they get into power, the first thing they will have to do is to take off the duties on the necessities of life, whether they get unrestricted reciprocity or not. What will that mean? The moment these gentlemen get into power they take off the duties on the necessities of life. What is the result? They go to the farmer, for whom they profess so much solicitude, and they say: We do not like these duties on the necessities of life, and therefore, according to our policy and according to our convictions, we immediately take away the duty on wheat, and we say to you who raise wheat in the North-West, to you who raise wheat in Ontario, to you who raise wheat in Quebec, to you who raise wheat in any part of this country, that the American can bring his surplus wheat into this country free of duty, but, when you take your wheat into the American market, you will have to pay a duty of 25 cents on every bushel you take over there. That is their policy. They desire the good-will themselves of the farmers. This is their commendation. They say, we do not believe in a duty on the necessities of life. Then the duty must be taken off flour, that is to say, that the milling industries which are fed by the farmers will have the protection taken off their flour, and the American miller can place his flour of all grades free in our market, while our millers will have to pay \$1.20 on every barrel they send into the United States. Then they would go to the coal miners of Nova Scotia and New Brunswick, to the coal miners of British Columbia, to the coal miners of the North-West, men who toil down in the depths of the earth and by hard blows struck in dangerous places make their living and raise these coals to the surface for the production of heat and motive power, and they will say: Toil on and toil on, and, when you have raised your coal to the surface, we will put American coal by the side of it free of duty; but, when you take your coal into the United States you will have to pay 75 cents on every ton. That is the hon. gentlemen's solicitude for the miners of this country. They will go to the hardy fishermen of this country, and they will say: We have love for you, we have said many brave words for you in Parliament, but we believe that the food of this country should be free; you may catch your fish and send it to the United States and pay 1 cent or $\frac{1}{2}$ cents or $\frac{1}{4}$ a cent duty on it, but the American fishermen may place their fish free of

duty in the Canadian market. They will go to the pork raisers in Prince Edward Island, from which my hon. friend (Mr. Davies) comes, and who does not remember that wonderful acrobatic feat of his but a year ago? We have heard something about acrobats in this debate, but here was a free trader who raised his voice constantly against the monstrous tariff and the barbarous system of protection inaugurated by this Government, and yet who went strongly against my hon. friend from Charlotte (Mr. Gillmor) who is an honest free trader and would stand by free trade though every fisherman and pork-raiser in the County of Charlotte went against it; and the hon. gentleman from Prince Edward Island said: I am a free trader on principle, but when it touches my county, I want protection on pork, not 3 cents, but 6 cents per pound. They will go to the pork-raisers of the east and west, and give them the gratifying intelligence that while American pork can come in here free of duty, that for every pound of pork they send into the United States they will have to pay 2 cents. They will have to tell them that bacons and hams will come in here free, but that our bacons and hams going into the American market will have to pay a duty of 5 cents a pound. And so on all through the list. Let me commend this to hon. gentlemen opposite. They have to go to the bye-elections this fall. They have to meet the electorate, and many of them represent agricultural counties. Let them call the farmers together in those counties and say: This is the policy of the party which I support, I am pledged to take off the duties on the necessities of life, and the moment we get into power we will take off those duties, but at the same time while United States wheat, flour and beef and pork and bacon and hams, potatoes and butter and cheese come in to compete with you free in your own markets you shall not get a pound of all these products into the United States market without paying almost prohibitive duties. This policy, Sir, is not even a jug-handled policy—no, it is a policy which is all handle and no jug to it at all. I ask hon. gentlemen opposite to think how they will be able to make such a policy acceptable to the electorate.

But there is a still more absurd phase which has been already alluded to. You take the duties off the prime necessities of life, and then you go to the United States of America and you say to President Harrison and Mr. Blaine: We want to sit down with you and make a treaty with you. Yes? We want you to let our products into your country free. Yes? And in turn we will give you advantages in our markets. Then comes the question: What are the articles which you propose to let into your country free? The answer will be, pork, wheat, beef, flour and so on. But it will be said: You let them in free now; we have all we want now, and without giving you anything therefor. If that is their policy and if that is carried out, they cut the ground from under their feet and take away the only inducement they have to offer to obtain reciprocity from the United States. That cuts the ground from under their feet in regard to natural products. My hon. friend from Queen's (Mr. Davies) has already cut the ground away in regard to manufactured goods coming from Great Britain. Then there is nothing left. Ignominy and defeat would be nothing compared to the reception which would meet any set of

men who would go to Washington to negotiate a treaty on such a basis as that.

Now, Sir, let us ask what unrestricted reciprocity is? What it was, is now no longer the question; what it is, is the burning question, and what it was and what it is, are two things very different. May I be permitted to define what it is, and will my hon. friends recall me quickly to the right path if I step out of it in the way of definition? When you get unrestricted reciprocity you will have freedom of intercourse between the United States and Canada in all natural products of each country. I am right in that, there is no doubt about it. All the things that are grown in the United States of America will come into Canada free; everything produced in Canada as a natural product will go into the United States free. That is the first principle, we are all agreed on that. Secondly, all goods manufactured from what is grown and produced in the United States will come into this country free; all goods manufactured from what is grown and produced in this country will go into the United States free—there is no doubt about that. I will go one step further to make my definition more clear. All foreign products or manufactures will come into each country subject to the tariff of that country. Those going into the United States will pay the United States' duty; those coming into Canada will pay the Canadian duty. There can be no doubt at all on those three statements. Natural products free both ways; all manufactures from natural products of the two countries, free both ways; all foreign goods, whether natural or manufactured, pay the duty each country imposes upon them. Here is where my doubt arises. Suppose that we do not grow a certain thing in this country, do not raise it, do not make it, such, for instance, as tin-plate—

Mr. MILLS (Bothwell). Cotton.

Mr. FOSTER. Such, for instance, as cotton, to take the nearer object to my hon. friend. We do not grow cotton in this country; it is therefore not a product of Canada. When that comes into Canada, not being a product of Canada, can we take it and make it up in our manufactories and take it across the border free of duty? I ask my hon. friend to set my harassing doubts at rest upon that point.

Mr. LAURIER. If the hon. gentleman will only look at the different treaties negotiated between civilized nations, he will have no difficulty at all in solving that question.

Mr. FOSTER. That is just about the definiteness that I expected in the answer of the hon. gentleman. I wished, however, to give him a chance to make a clear and honest declaration upon this subject, for once in his life, and he has failed to do it. Let me take that definition of his before the honest elector of this country, whether he is in city or country; when he puts that question to me, as he will and must, if he does his duty to himself and to his country, and I shall have to answer him: Sir, I cannot tell you; but I asked the originator of the scheme, the great physician who is to administer this wonderful panacea in homœopathic drops—I asked him before the high court of Parliament, in face of the whole country, and he had no answer to give, or he would not give it if he had, except this: You will have to look, my

dear farmer friend, my dear artisan friend, to the treaties which have been passed between civilized nations.

Mr. LAURIER. The hon. gentleman knows that the question he puts to me is a matter of agreement. It is a matter of agreement, and it is impossible to say upon such a question of detail, what the agreement will be or will not be. That has to be decided by both nations.

Mr. FOSTER. What is the position the hon. gentleman proposes to take on that class of materials?

Mr. MILLS (Bothwell). How does the hon. gentleman propose to work out his own theory?

Mr. FOSTER. From whichever leader I ask the question, I cannot get an answer.

Mr. McMILLAN. If you go to Washington what position will you take?

Mr. FOSTER. The same indefiniteness which marked the campaign for unrestricted reciprocity from the time it commenced last year until it closed, still continues in the House. I thought when we came to Parliament and brought the men face to face with us, with an honest desire to make clear before the country what they proposed to have the electors vote upon, I thought we should get down to a firm, clear definition that would leave no man in doubt. But the same game is to be played on this point that was played on the point of discrimination, that was played upon my hon. friend from Huntingdon (Mr. Scriver), who is so quietly resting in his chair yonder. The hon. member for Queen's (P.E.I.) said to-night: It has always been known that unrestricted reciprocity implied discrimination. The hon. gentleman from Huntingdon did not know it—did not know it after the election was through, and I do not know whether he knows it yet. But I know he has heard the declarations from his own leaders, and if he does not know it, he ought to know it. I am looking with interest to see how he will vote on this resolution. Discrimination was held up in this uncertain way, now dangled down and now dangled up, and with what effect? That in the city of St. John the lights and leaders of the Opposition party publicly and privately declared to the people, on the hustings and in the shops, that there would be no discrimination against England. In just the same manner direct taxation is being dangled before the country, and will be, I suppose, as long as this fad is in vogue, although down in the Maritime Provinces we had men declaring everywhere that no direct tax would be put on this country. A few days ago we heard the hon. member for Iberville (Mr. Béchard) declaring, in his sturdy, honest way—and I honour him for it—that the party which makes direct taxation one of the planks in its platform, signs its political death warrant. And yet, Sir, I ask that hon. gentleman if he has found in the preachments and predictions of hon. gentlemen opposite during this whole debate, one single word of comfort to his harassed soul; have his leaders pointed out to him any possible way by which the vast amount of revenue that must be lost, can be made good without resorting to direct taxation? But, Sir, I am off my track. I knew I should not get a plain answer to my question. I must come back to the subject of cotton and wool, and as my

hon. friend will not give me a direct answer, as he parries that question, let me show him what it means. It will be the one thing or the other, I suppose. Either cotton, not being a product of Canada, can be manufactured here and go free into the United States or it cannot. In either case what will happen? I will first reason on the assumption that a product of another country, when it comes into this country, cannot be made up in our manufactories and then carried into the United States market free of duty. What will happen if it cannot? You will have the most one-sided free trade and the most one-sided reciprocity that I ever heard of being put before any people.

Mr. ALLISON. Could we not get a set-off to this article? Do we not allow the Americans to get lumber from this country and manufacture it into machinery, and send that machinery back here now?

Mr. FOSTER. Yes, and we tax it.

Mr. ALLISON. Could we not do it just as well if there was no tax?

Mr. FOSTER. Yes.

Mr. ALLISON. So cotton could come here and be manufactured and carried back there, just as well as timber can be manufactured there and the product brought back here?

Mr. FOSTER. I see that my hon. friend must soon be promoted to a front seat. My hon. friend is at least honest in his desire to impart knowledge. He at least gives what he thinks is a true solution. The difference between timber and cotton, however, is that both countries grow timber, and only one country grows cotton. Now, I am putting this proposition. Products that are not native to this country coming in here and being made up, will not pass free into the United States of America; products not natural to the United States of America, coming into the United States, will not be made up and pass free into this country. What will happen? Again, an astonishing one-sidedness. We raise no cotton, they raise cotton in the United States. Put on unrestricted reciprocity; and if this is the condition, what happens? That every cotton mill in this country will at once shut up. Why? Because the cotton is a native product of the United States; they will make it up in the United States mills, and it will come into this country free. It is not a native product here; it must be brought here and made up in our mills, and when our cottons go to the United States they will meet with duties equal to 40, 50, 60, or 75 per cent. That is what will happen. Take the article of wool. The wools raised in the United States and in Canada are not sufficient for either country, and they have to be imported here very largely. In the United States there is, however, a large wool production; in this country there is a small wool production. The producer of wool in the United States makes it into woollen cloths, which will come into this country free. We make up wool, which we import from a foreign country, as we have to import it, and when our wool manufacturers take their goods to the American boundary they will be met by a tariff running up to 150 per cent. or more. That is a beautiful kind of reciprocity. Take the tobacco trade. The United States raise a great variety of tobaccos, and of good qualities. The Americans manufacture tobacco, it being a

product of that country, and it will come into this country free. We raise some tobacco, but not nearly sufficient. It is brought in here as a foreign product; it is made up here, but it will be met on the American border by a prohibitory tariff of \$2.75 per pound. I could easily go through the catalogue. That would be a fine kind of reciprocity; that would not only not be unrestricted reciprocity, but it would be the most one-sided proposal that any party or any man has ever submitted for the approval of the intelligent electors and asked their support for it. I take now the other side of the question, that these products of other countries coming in here raw, afterwards pass as our manufactured goods free into another country, each side to hold control of its own tariff. What would happen? Take tin-plate. The United States duty, which is now in force, is 2½ cents, a prohibitive duty and meant to be so. They are endeavouring to make tin-plates out of their own ores and are seeking to build up that manufacture in their own country. What will happen? All we have to do is to import tin-plate free, as it is to-day on the free list, and we can manufacture the tinware for the United States in spite of any competition. Will the United States agree to that? And so you may take article after article on that side of the argument. Whichever horn of the dilemma you take, you are, on this ground of control of the tariff, led into a difficulty from which no hon. member on the other side has attempted to relieve us, and which no one has attempted to explain, and which I believe is beyond the bounds of practical statesmanship. Let me go one point further. If we had control of our own tariff, how can the United States be sure of any compensation for any treaty it may make? If it makes a treaty with us for unrestricted reciprocity, the Americans will look over the list and say: We will get entrance to the Canadian market with great advantage to our manufacturers, because they have a tariff against outside manufacturers; we will consequently gather, if we have no duties to pay, the largest part of that trade in manufactured products; we will give Canada in return certain advantages by way of compensation. The treaty is made and goes into force for 10 years. We have control of our own tariff. Immediately we take the duty off hardware. What *quid pro quo* does the United States obtain on manufactured hardware in this market if we, having control of our own tariff, take off or lower the duty on British hardware? The United States is robbed of the advantage they expected to derive by our allowing their manufactures of hardware to come into this country free of duty. The United States would be arrant fools if they were to make a treaty with us, the fundamental principle of which was a certain compensation for their manufactured goods, then give us control of our own tariff, as at present, so that, if we wish, we could let in British manufactures or those of other countries free or at very low duties, and take away every coign of vantage which the United States had expected to secure from this country. It would not be honest treatment, it would not be proper treatment, and the United States would never make a treaty upon lines which could leave such a course open to us.

Mr. MILLS (Bothwell). It is so good you are opposed to it.

Mr. FOSTER. I am talking simply of the proposition of hon. gentlemen opposite. Let me ask

the attention of hon. members to some figures. The imports of hardware from the United States last year were of the value of \$4,900,000. The value of imports of similar goods from other countries was \$5,600,000. What was more fair than for the United States in making a treaty of unrestricted reciprocity to say: We sent \$5,000,000 of hardware to Canada last year; that country obtained \$5,500,000 worth from other countries besides; let us in free of duty and we will take the hardware market. But we have control of our tariff, and we will let other countries in on the same terms as the United States if we please, or we will lower the duty nearly to the notch of nothing, and the United States so far from getting its \$5,500,000 more from hardware will get nothing or next to nothing. So you may go through a long list. With respect to raw material, I have already taken that up and dealt with it. What I want to point out is this, and I ask hon. gentlemen to gainsay it if they can, that a fixity of tariff is the essential condition of any treaty of reciprocity, unrestricted or not, and for the period that treaty exists a tariff must be fixed at the first and must be kept to the last, except upon mutual understanding and agreement of both parties; and there is no possible means of obtaining a reciprocity treaty outside of that. I say more. The very moment my hon. friend the leader of the Opposition stated here, so differently from what he is reported to have said in the country, that we are, as a fundamental point in unrestricted reciprocity, to keep perfect control of our own tariff, that very moment he read his whole case out of court in the United States. Every paper hon. gentlemen opposite have quoted, every statesman they have called their ally, and every public man who has deigned to notice the proposals of hon. gentlemen opposite, has made it a fundamental condition of considering the proposition that there shall be a uniform tariff made by common consent. I go further than that. I will ask hon. gentlemen opposite, who are good at quoting, to quote one single statement, one single resolution of a board of trade, one single utterance of any newspaper which will give them warrant for saying that, with the tariff under the control of this country, they can get the slightest shred of public opinion in the United States in favour of their proposition.

Mr. MILLS (Bothwell). What are you going to do?

Mr. FOSTER. I am criticizing what the hon. gentlemen opposite think they are going to do. When this question came up the *Halifax Chronicle*, the organ of the party in Nova Scotia, and the *St. John Telegraph*, the organ of the party in New Brunswick, came out flat-footed against the proposition of adopting a uniform tariff and having the United States fix it in common with this country, and said "we must keep control of our own tariff." What said the *New York Tribune*? Taking up that point, this influential Republican paper and organ of the party said:

"It [the *Halifax Morning Chronicle*] argues in favour of unrestricted and absolute reciprocity between Canada and the United States, with each country at liberty to adopt such tariff as it may prefer, and represents this, and no more than this, as the deliberate purposes of one party in the Canadian contest. If this is the fact, one party of Canadians closely resemble the baby which cried for the moon and got into a rage because the moon would not consent to be grasped. This nation has not the slightest notion

of allowing Canada to open the back door as wide as it may please, while tariff enactments by the United States are closing the front door against sundry importations at New York and Boston. If any one is silly enough to suppose such a plan is entertained by Americans, he does not live in this country. All such representations may as well be put aside as utterly and widely at variance with anything Americans can possibly be brought to adopt."

Sir, the latest declaration by the hon. leader in this House, an authoritative declaration, recorded in *Hansard*, taken down by an English reporter, and placed where it can be revised, stands, and cannot be contradicted, and the fundamental position is this: The control of their own tariff in their settlement of unrestricted reciprocity. To-day they have read their case out of courts in the United States of America; they have no longer the shred of a warrant for supposing that it will meet with any acceptance there. Now, Sir, what does this unrestricted reciprocity involve? I am going now to take up the arguments of my hon. friend opposite to me (Sir Richard Cartwright). It involves several things. First, it involves discrimination against England. There is no necessity for my going into that point, for it has been well gone into, but I wish to read what is the definition of this given by my hon. friend from South Oxford (Sir Richard Cartwright). He has spoken out plainly, he has made all his arguments in favour of discrimination, and then he declared:

"We do not propose to discriminate against Great Britain *per se*, but we propose to enter into a treaty of commercial relations with the United States, whereby certain privileges will be given by Canada to the United States, and by the United States to Canada, against all the world."

The hon. gentleman has been bolder; he has stated in this House in less equivocal language, he has declared the same in the country that they do intend to discriminate against Great Britain. Now he puts it in the negative way; but what child's play. What is the use of putting in *per se*—saying on one hand that he does not intend to discriminate against Great Britain *per se*, and saying in the same breath that he intends to give the United States advantages against the rest of the world, including Great Britain. Most certainly, discrimination is to-day nailed upon the topmost fold of their flag. They intend then to discriminate against Great Britain. Now, I want to ask the hon. member for Huntingdon (Mr. Seriver), who devoted some attention to me a little while ago, who tried to make me out very inconsistent upon the temperance question; I want to ask him now what he proposes to do about it? My hon. friend cannot plead ignorance any more. There is his leader, and he has heard his leader's statements to-day; there is his financial leader (Sir Richard Cartwright), and he has heard his statements the other day; there is his co-worker (Mr. Davies), and he has heard his statement to-night, to the effect that they will discriminate against England; and here is the statement of my hon. friend (Mr. Seriver) read before the electors of the County of Huntingdon, after the smoke of the battle of the 5th March has passed away, and he said then:

"Leaving the electoral lists, I take up the issues upon which the election is being fought out, and find the main question to be one of trade—that of reciprocity. Persistent efforts have been made to misrepresent the position of Reformers with regard to reciprocity, it being alleged we were willing to consent to a free exchange of commodities with our neighbours on conditions none ever pledged themselves to, never declared, and do not now. We do not seek, nor will we consent, to reciprocity on the

terms our opponents allege, namely, uniformity of tariff and discrimination against Great Britain. You will not find in any announcement of principles by the Reform party that it ever proposed to accept the American tariff as the price of reciprocity. And I am free to say, that had the Liberals gone into power and negotiations been opened Reformers would never have consented to accept reciprocity, if doing so entailed placing Canada under the American tariff or discrimination against the mother country. Liberals are just as loyal as their opponents, and will consent to no act of injustice to Great Britain, and any arrangement that may be made with the United States will render our markets as accessible to the mother country."

Now, I have read this as the statement attributed to my hon. friend from Huntingdon (Mr. Scriver). He rises in his place, and he can say whether that represents his convictions or not.

Mr. SCRIVER. It did fairly and fully; and it represents my views now.

Mr. FOSTER. My hon. friend is related not very far back to my hon. friend from Charlotte (Mr. Gillmor). They come from the same kind of stock; they get up and state exactly what they mean, and in doing so they cut themselves loose from this hour forward from the policy of unrestricted reciprocity, as defined by the hon. the leader of the Opposition, as defined by the hon. gentleman from South Oxford (Sir Richard Cartwright), as defined by the leader from the Maritime Provinces—I speak with bated breath in the presence of my hon. friend from Guysborough (Mr. Fraser)—the member for Queen's, P.E.I. (Mr. Davies.) Now, then, we will be anxious to see what the hon. member for Huntingdon (Mr. Scriver) means to do about it. Will he be inconsistent? Will he swallow his expression and his opinions, and vote for discrimination against the mother country on the ground that we have a perfect right to, and that if it hurts the mother country, so much the worse for the mother country. Well, we will see, we will see.

Mr. SCRIVER. Yes; you will see.

Mr. FOSTER. Now, Sir, I wish just to note one argument of my hon. friend from South Oxford (Sir Richard Cartwright). He says upon this question of discrimination: Your tariff discriminates against Great Britain to-day.

Sir RICHARD CARTWRIGHT. So it does.

Mr. FOSTER. My hon. friend says, so it does. When the hon. gentleman from Queen's (Mr. Davies) stated that it did discriminate against Great Britain I said it did not. I said it almost with bated breath, but I managed to pluck up courage enough to say it, and he replied that I would deny anything. My hon. friend from South Oxford (Sir Richard Cartwright) says it does discriminate. Now, it depends entirely upon his point of view, and I know exactly what his point of view is, but I mean to say this: that we are men and not children, and that we ought to talk about facts and not quibble about words. I say to my hon. friend that the difference between the two policies is simply this: When an exporter of hardware from Great Britain brings his goods to a port in Canada, and an exporter of the same class of hardware in the United States brings his goods to the same port, under the present tariff, both are on an even scale and pay exactly the same duty. But I say, that under this policy of unrestricted reciprocity, if a British manufacturer of hardware comes to the port of Halifax or Quebec, and enters his hardware, he will pay a duty of 20, or 30, or 40 per cent., and when an Ameri-

can comes over with the same class of hardware he gets it into the markets of this country without a cent of duty. That is the difference. You may quibble about discrimination as long as you like, but that is the common sense view, the view that this House will take and the view that the country will take. There is no discrimination in our present tariff *per se*, to borrow a word from my hon. friend; the same classes of goods, come from where they may, pay exactly the same duty. You may just as well say that we discriminate in favour of the West India Islands, because the West Indies, geographically and economically, are situated so that they do not send to us manufactured goods, but raw materials, the most of which we let in free. But that is simply quibbling; the main, honest position is what I have exactly stated with reference to this policy. Now, then, Sir, we come to the question of loss of revenue; and if there was anything that would make one consume himself with laughter it was the way in which my genial and eloquent friend, the leader of the Opposition, treated this question of loss of revenue in his speech to-day. What did he say? Well, he says: Now come to revenue, which is the sticking point in this question, especially with the Minister of Finance; how much will we lose? \$8,100,000 he says; these are the duties from the United States. Well, he says, suppose we do lose that; will there not be so much taxation saved to the country? Certainly there will, but how does that help the loss to the revenue? What we are talking about is not the saving to the people, but how you are to make up the loss of the revenue. Then, he says, a part of the English taxes we lose, and how does he make up for that? By the fact that the people will be richer than they were before. How will that help the revenue if they buy more goods which come in free and less goods which are highly taxed? But I must come to my hon. friend from South Oxford to get at the beauties of this argument. To the question as to how the loss of revenue is to be made up he answers: Use your surplus. The hon. gentleman knew, when he said that, that by my own calculations given in this House, the surplus of this year will be *nil*, or almost *nil*. He knows that we have taken off \$3,500,000 of taxation and put on only \$1,500,000, and I propose to make ends meet by economy; and that is all. When my hon. friend said: Use your surplus for a part of the loss, he knew at the moment that there would be no surplus to use in making up the loss of revenue. Then, he says we will not spend \$1,400,000 in keeping up railways and canals. Well, we do not spend that much. I can take no meaning out of that remark but this, that if you take the expenditure on canals and railways for maintenance and running expenses and compare it with the revenue there is a deficit of \$1,400,000; but such is not the case; the whole deficit is less than \$900,000, and the hon. gentleman would economize by putting the figure of the actual deficit at \$500,000 more than it is and saving the imaginary deficit. Then my hon. friend says, we will not spend \$1,000,000 for Indians. We will not? Then, we will repudiate our treaties with our Indians and the fair and reasonable expense for them. Let me tell this House that the country will watch with great care and scrutinize keenly the policy of any gentleman or party who propose to deal in a niggardly fashion with the Indians, once the owners of all this great domain and all the enormous

resources of the country, and now the wards of the nation, and will expect them to be treated in an honourable and generous way. I challenge the hon. gentleman to look after the Indian bands throughout the country and observe treaty rights, and do it on much less than \$1,000,000. Then, he says, we will not spend \$1,000,000 on the Mounted Police. There is another peculiarity of his finance. We spent only \$750,000 last year, and the hon. gentleman puts the expenditure at \$250,000 above the actual figure, and by such a simple expedient he proposes to make up the loss of revenue, a very easy method, but presenting practical difficulties which even he may find it hard to meet. Again, he says: You can do what you have just done; you have put \$1,500,000 of taxation upon malt liquors, tobaccos and spirits and you can make up for loss of revenue by a further increase of the Excise taxes. My hon. friend is going to have unrestricted reciprocity. Is he going to have unrestricted reciprocity in beer, in spirits and tobacco, or not? Is he going to cut off these great branches of trade, or have unrestricted reciprocity in them? One thing or the other. If he is going to have unrestricted reciprocity in them he will lose a deal of revenue instead of gaining; and if he is not going to have unrestricted reciprocity in them, I ask him how much more Excise he can put upon those articles? The Excise duty to-day is very much higher than is the similar Excise duty in the United States. We stand to lose in the Excise duties under his scheme rather than to gain. So I suppose I have taken away the resources of my hon. friend the leader of the Opposition, who was going to avail himself of these means of making up the loss of revenue. Then, he says we can economize in many other ways, but he does not specify in what respects. But his important argument is that we will be richer. Grant that I am worth \$5,000 this year and that I will be worth \$10,000 next year; when the same class of goods are placed before me, one having no duty upon it and the other having a duty, am I, just because I am a rich man, going to buy the goods on which there is a duty, instead of buying what I can get to the best advantage? That would be well, provided the hon. gentleman made a law that the rich people must purchase a certain proportion of the manufactured goods on which heavy duties were imposed: but if that were done, what would become of that old adage of his that we should buy in the cheapest market and sell in the dearest. But I want to ask one more question. The hon. gentleman stated, and I have it here in black and white, that what the country will lose will be \$8,000,000; what the people will gain will be \$16,000,000. My hon. friend cannot get away from that statement.

Sir RICHARD CARTWRIGHT. They will gain more.

Mr. FOSTER. I will not quarrel with the hon. gentleman as to what they will gain. The question is what we shall lose in point of revenue, and the hon. gentleman says it is \$8,000,000. Now, my hon. friend is too old and experienced a financier not to know that he will lose more than \$8,000,000. Let me tell him what he will lose. He will lose \$8,220,000 on United States imports alone, on a parity of the imports of last year. He will lose the duties paid on all goods from other countries, which will no longer come when there is a duty against them, while the same classes of goods

come from the United States without any duty at all. I hold in my hand a statement of all the imports for the year ending 30th June, 1890, and what do I find? I find that in manufactures of brass from the United States we imported \$340,000 worth, and from other countries \$120,000 worth. Let the American brass manufactures come in free and put a duty of 35 per cent. against all other countries, and how much of the dutiable articles will come in competition with the free articles of the same class? Does not my hon. friend see that he will have to lose the major part, perhaps all of that? Take the article of buttons. We imported from the United States \$80,000 worth, and from other countries \$198,000 worth. Let the buttons from the United States come in free and keep the duty upon buttons from other countries, and a large proportion of that import will cease. Take cotton manufactures. Last year we imported from the United States \$748,000 worth, and \$3,214,000 from other countries. Keep your duty of 50 per cent. or so against the manufactures of other countries, while those from the United States come in free, and I want to know how much duty-paid cotton importations will come into the country. And so you may go through the whole list, and you will find, when you come to the end of it, that from articles brought from the United States and articles brought from other countries, equal classes of manufactures in the main, we get duties equal to \$8,000,000 from the United States, and equal to \$15,750,000 from other countries; and I take the calculation as a reasonable one, that if we adopt unrestricted reciprocity, if we keep up our duties against other countries but abolish them as regards the United States, we will lose at least two-thirds of the duties we now collect on goods coming in from Great Britain. That is \$6,000,000 we will lose on duties in connection with our trade with Great Britain. On goods from other countries, besides Great Britain, we collect duties amounting to \$6,210,000. We have already dropped a third of these by striking off the sugar duties. We will drop at least \$1,000,000 more, and that would leave only \$3,000,000 from that source, leaving to be got from the entire duties, under this calculation, and I am prepared to trust it, a total of \$18,000,000 under unrestricted reciprocity. I invite my hon. friend to answer that.

Sir RICHARD CARTWRIGHT. It is too childish to answer.

Mr. FOSTER. I invite my hon. friend to show how he proposes to put a high tariff wall against other countries and let in goods free from the United States, that great manufacturing country, and expect to get the same duties on our importations from other countries which we do now. We would not get the same amount of duties, or anything like. Sir, the hon. gentleman will have then a revenue of about \$18,000,000 on the present scale of duties. What has he to meet? He will have to meet interest charge and sinking fund, which are as unalterable as the laws of the Medes and Persians, if we do not intend to repudiate, amounting to \$11,800,000. He will have to meet provincial subsidies, which are now \$4,000,000, but which will be \$6,000,000, after hon. gentlemen opposite get through one winter's legislation. Because, Sir, talk as you may about being tied up or owned by a chattel mortgage or anything of that

kind, the hon. the leader of the Opposition has pledged himself to Mr. Mercier, and he stands or falls by his pledge in Quebec, and his party stands or falls with him on this pledge, he has pledged himself that when he obtains power in Ottawa he will add \$2,000,000 to the provincial subsidies; and this is not the assertion of a newspaper, but the deliberate statement of the leader of the Opposition, made this session from his seat on the opposite side of the House. He will have to meet for collection of revenue, which is almost entirely for the railways and canals and post offices, which, I do not suppose, he intends to skimp, \$9,000,000, making a total of \$27,000,000 required to meet costs and charges which cannot be escaped; and all he will have to meet them with is \$18,000,000 revenue. That leaves him with a deficit of \$9,000,000. And then what has he to face? He has to face the Indian expenditure, which is about \$1,000,000; the Administration of Justice, which is about \$700,000; Civil Government, \$1,300,000; Legislation, \$932,000; Penitentiaries, \$350,000; Militia, \$1,300,000; Police, \$750,000; Lighthouse and Coast service, \$500,000; Immigration, etc., \$300,000; Public Works, \$1,500,000. Public works he may reduce by skimping these works, but if he attempts to do that he will have the hon. member for Brant (M. Paterson) to reckon with, because that hon. gentleman warned us that we were not going to get any quarter or credit on account of any economy we might effect in reducing the public works of the country, which must be necessarily carried on. Ocean and river service, \$400,000; Fisheries \$320,000, making a total of \$9,500,000. Add that to the deficit and we find that makes \$18,000,000 which he will have to make up.

Sir RICHARD CARTWRIGHT. Hear, hear.

Mr. FOSTER. My hon. friend can call "hear, hear," until doomsday, but I ask him to set himself down to the work of practically disproving this calculation. Let him show by any process of practical calculation how anything else can take place under his plan. I ask the hon. member for Iberville (Mr. Béchard), who has given this House his convictions with reference to direct taxation, to look into that question and to ask his leaders, before he follows them any longer in this policy, how they are going to make up that deficiency of \$18,000,000 without resorting to direct taxation? Direct taxation—it is in the air, and if it is not in the air, there is a practical necessity stronger than the fates of old which sat relentless above the will of men and gods, which will drive them on to direct taxation in spite of themselves if once they adopt unrestricted reciprocity. There is no other way to meet the deficit that is bound to occur. Let them put a higher tax on manufactured goods, and see how that will work. Every ten per cent. they add, say on hardware coming from Great Britain, while they allow hardware from the United States in free, will simply raise the wall of prohibition against English goods still higher, and prevent their importation to the advantage of the American manufacturer. There will be no door open out of the difficulty but direct taxation. My hon. friend from South Oxford has stated over and over again that nothing but the incomprehensible stupidity of the people of Canada prevents them from adopting direct taxation.

Sir RICHARD CARTWRIGHT. Hear, hear.

Mr. FOSTER. My hon. friend very smilingly and earnestly gives in his adhesion to this principle, but the people of Canada, under the training of hon. gentlemen opposite, are not going to remain incomparably stupid all these years. They will become educated; but I wish to ask the hon. member for Iberville what he thinks now of the hon. and gallant knight who cries "hear, hear" in echoing the sentiment which dubs that hon. gentleman and those who do not believe in direct taxation in this country as incomprehensibly stupid. Surely I count in vain on the independence of the back benches on the other side if I do not see in this and succeeding votes these worthy men, the men from Huntingdon (Mr. Scriven), and Iberville (Mr. Béchard), and Charlotte (Mr. Gillmor), rising up and denouncing this discriminating, this direct taxation-breeding policy, which is fathered by the leader of the Opposition and the men in the front benches. Leaving that subject for a moment, let me go one step further. After having taken up so long the time of the House I must bring my remarks to a speedy close, but I wish simply to direct public attention to this incomprehensible muddle of a policy, incomprehensible even to the leader of the Opposition himself—so incomprehensible that when a fair question which a child might ask and any person might answer, was put to him, he had to take refuge behind a stilted, stultifying phrase about treaties between civilized governments, in order to conceal his lack of knowledge or lack of candour, and such a policy is the best outcome of four years of their best political thought and genius. We have weighed these gentlemen in every balance necessary, and the country has weighed them. They had a period of maintenance and administration, if you choose, and in the five years of their administration what happened? Taxation was heaped up by \$3,000,000 and more; revenue went down; trade went down; the trade prospects of the country grew duller each year; surplus faded away into deficits; the public debt grew apace, and the whole financial and commercial body politic was sick and diseased throughout. These hon. gentlemen could find no other resource in their brilliant and administrative genius than to simply say we will pile on the taxes and trust in Providence. That was their period of administration. They were weighed and found wanting. They have another policy, that of destructiveness. That is the policy they carried out in 1872, and under the breath of a scandal mostly created and fanned by themselves they succeeded in getting into power, through their destructive tactics, through their power of pulling down and tearing to pieces. Since that they have tried their policy of destructiveness on several occasions. They tried it in 1878, they tried it in 1882, they tried it in 1887, and they tried it in 1891, and they failed. And now, within this last four years they have attempted to adopt a constructive policy, and here you have it in this anomalous, indescribable, indefinite, misty absurdity, which they have named unrestricted reciprocity, and that is all they have to show us for four years of constructiveness on the part of a great political party.

Sir RICHARD CARTWRIGHT. Hear, hear.

Mr. FOSTER. On the top of all this, my hon. friend who cries "hear, hear"—and I expect to

receive another salvo from him—says : Instead of the Government's policy, "we offer a clear-cut, rational and distinct policy."

Sir RICHARD CARTWRIGHT. Hear, hear. We do not offer you the power of understanding it. That is impossible.

Mr. FOSTER. Now, this is the clear-cut, distinct plan and the rational policy which they offer. When asked for what it is, they simply say, as one child does to another : Just shut your mouth and open your eyes and we will give you something to make you wise. They say "We are not bound to explain—let us over on that side and we will show you what our policy is." They show their incapacity in nothing more than in this. Those hon. gentlemen cannot hoodwink in this manner the people of Canada in this 19th century. The artizans and all classes of the community, before they will let them tear down their national house, want to know what kind of building he is going to put up to shelter them. Before they take hold of the ship of state, before they undertake to guide it, some of them at the helm and some on the bridge, the hardy navigators will want to know what kind of diplomas these men have. The people want your policy ; they asked for it at the polls last March, and they will ask for it when you go to them again, and you will never get the voice of the people by simply saying : We have no explanation to offer. In contradistinction to their indefinite policy, this side offers to the country a distinct policy, a policy that is known as the National Policy, a policy which is known by its results during twelve years of steady upbuilding and improvement of this country, a policy which is based upon the development of our resources, upon the creation of home industries and of home markets, and upon the gradual widening and broadening of interprovincial trade and the overflow therefrom of trade to other countries. That is what we offer against this shifting, indefinite thing which is christened on the other side by the name of unrestricted reciprocity. Here is something which the people have tried and which they have before them in entity and substance, a policy which has grown up the form and embodiment of great and almost unparalleled progress amongst themselves. With this National Policy, with this development of our natural resources, with this development of interprovincial trade, there is also the desire to widen the bounds of commerce on every side. With the United States? Yes, and on the principles laid down in the Order in Council, taking the basis of the treaty of 1854, and adding to it whatever may be agreed upon by the commissioners appointed on both sides as being in the interests of both countries. That is a policy as plain as can be laid down. No one should be asked to say more than that in going into a trade negotiation with another country ; and, however hon. gentlemen opposite may refuse to attribute to us an honest desire to carry out this policy, as they will in their Christian charity and their distinguished probity, the Government knows that the party behind it will trust it, because it reflects the opinions of the men who support it. On our previous record and on this policy we propose to ask the House and the country to support and sustain us, and not support the policy which is propounded by hon. gentlemen opposite. There is one other allusion

that may be pardoned to me. Over across the sea there is a market which some hon. gentlemen have thought it not wrong to speak slightly of. They have spoken much of the interests of Canada, and have said that we should go where the interests of Canada lead us. So we should ; but the fundamental opinion of gentlemen on this side of the House is that Canadian interests join us in an identity of interests with Great Britain, and when hon. gentlemen opposite stand up in their sturdy independence for the rights and privileges of Canada, I stand with them ; but we believe on this side that Canadian interests are best subserved by our keeping in touch and unison with the interests of the Empire, and not by putting ourselves in the power of another nation. The market on the other side of the ocean has been wonderfully developed in late years in regard to several of the great staples of our country. It is not long ago that that trade was in its infancy, and now it has reached vast proportions, and our cattle, our cheese and other products are finding a limitless market in Great Britain. There is no reason why that should not be further developed. There is no reason why our butter should not take the same position in Great Britain which Canadian cheese has taken, and it is taking it and will take it under the intelligent and educative methods which are being carried on now by the Department of Agriculture. So it is with other branches of our trade, and this leads up to my thought, which is, that we may well put by the side of this empty, uncertain, indefinite something with the United States of America proposed by hon. gentlemen opposite an alternative infinitely higher, infinitely more in bodily form and certain prospect, and ask the people to choose between the two. This alternative, Sir, is the prospect of wider, fuller, richer trade relations with Great Britain. Why not? Here we have limitless lands waiting for the cultivator ; there are the congested districts and the overcrowded populations. Here you find the lack of capital ; there you have wealth in abundance. Here we have an almost unlimited source of supply and there an almost limitless demand. Between us we have the broad and facile ocean, over which transit is becoming easier and cheaper every year ; in both countries there is the same indomitable spirit and mettle ; both inherit the same historic past, contemplate a common and boundless prospect for the future. I do not despair that in these times, when revolutions in trade, in thought, in economics, come about with the swiftness of electricity, that there may soon strike the flash of a common thought, the conviction of a common interest, and the sentiment of a world-wide loyalty, which will fuse all seemingly diverse interests into one and establish between Canada and the mother land, by favourable legislation, one great inflow and outflow of commerce, embracing the products and providing for the wants of the British Empire through and through, uniting heart and extremities in one great bond of trade union, which shall bid defiance to the world, and add the fresh life-blood of health and happiness and prosperity to every portion of the Empire.

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